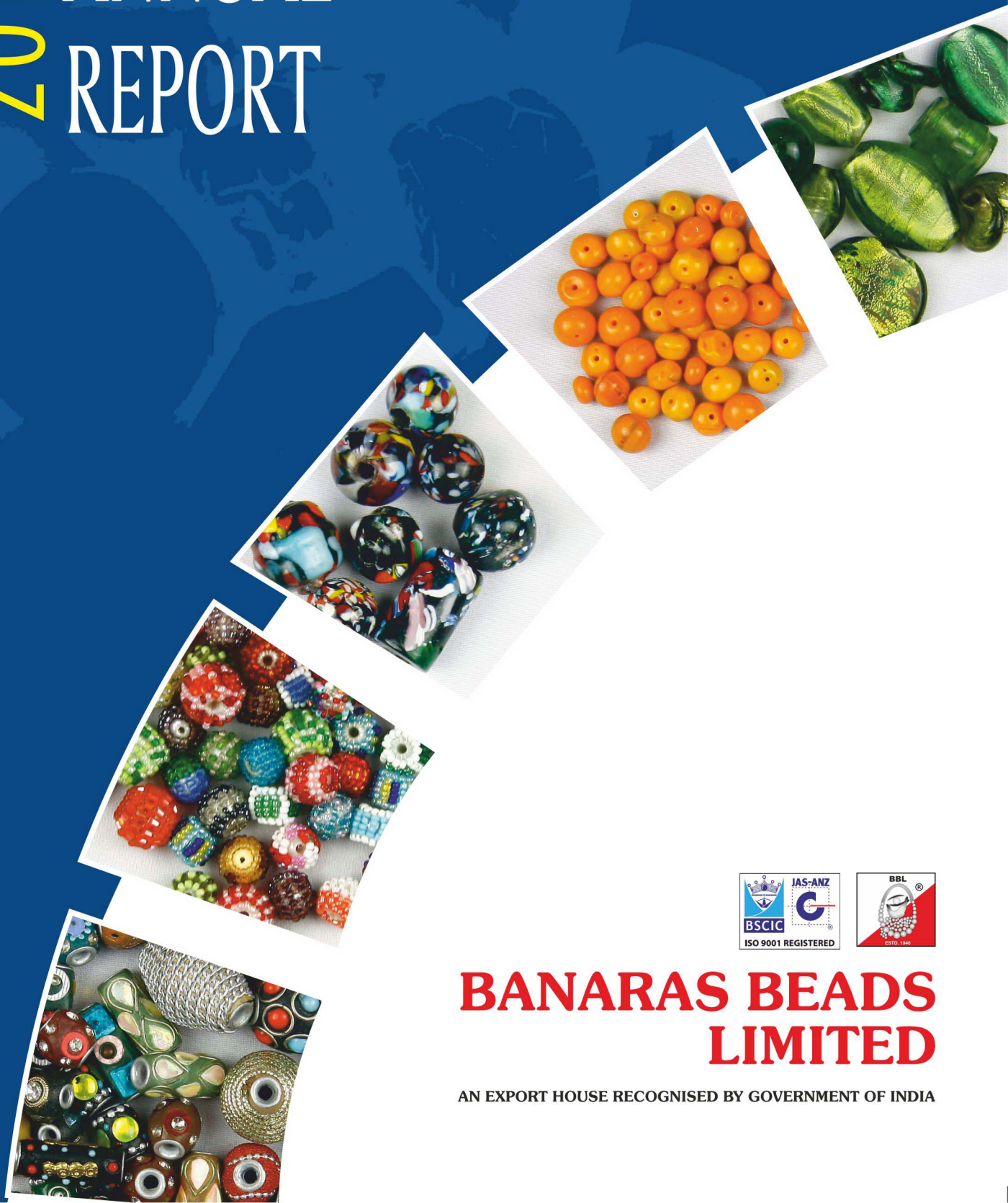


35th

2014-15

2015 ANNUAL REPORT



**BANARAS BEADS
LIMITED**

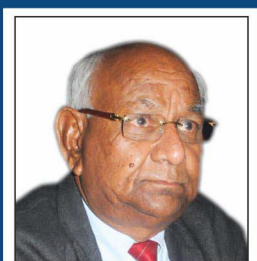
AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA



Late Kanhaiya Lal Gupta Ji
(1925-1992)



PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION



Ashok Kumar Gupta
Chairman & Director

Dear Shareholders,

It is my privilege to report the Annual results for the F.Y. 2014-2015.

The Management has done its best but turnover of your Company has not increased on account of continued decline in demand of handmade beads, recession in global economy, fluctuation in foreign currency and dumping by China. We hope for betterment in next year's.

Despite decrease in turnover of the company, the company has achieved better cash profit due to efficient cost control. During the year net profit of the company before tax is Rs. 2.63 Crore against the previous year amounting to Rs. 3.50 Crore. However net profit before tax and depreciation (cash profit) during the year is Rs. 4.98 Crore against the corresponding previous year figure of Rs. 4.96 Crore. The net profit before tax decreased mainly due to higher depreciation charged during the year as per new provisions of Companies Act, 2013.

During the year the shares of your company were being traded in BSE and NSE between Rs. 25/- to Rs. 64/- against book value of around Rs. 60/-. The board had recommended for declaration of dividend of Rs. 1/- per shares for this financial year, despite facing adverse situation and decline in turnover.

We are still in process to get Government Support for establishing Cluster Scheme in Varanasi to develop infrastructure, skill and technology in Glass Beads manufacturing.

Your Company is getting good response in indigenous market and hope in coming few years Company will pickup more market share of its products in indigenous market.

I want to record my appreciation for co-operation and support provided by the directors, auditors, internal auditors, buyers, suppliers, bankers, artisans, employees and associates of the company in every field of your Company's activities.

With best wishes to all.

Ashok Kumar Gupta
Chairman & Director



BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA

35th
ANNUAL REPORT
2014-15



BOARD OF DIRECTORS

Ashok Kumar Gupta : Chairman & Director
Siddharth Gupta : CEO & Managing Director
Shalini Chandra : Executive Director
Ashok Kumar Kapoor : Independent and Non-executive Director
Praveen Singh : Independent and Non-executive Director
Tanmay Deva : Independent and Non-executive Director

Company Secretary & Compliance Officer

R.K. Singh

REGISTERED OFFICE

A-1, Industrial Estate
Varanasi -221 106 U.P.
Tel.# : 0542-2370161 - 2370164
Fax.# : 0542-2370165 / 2370214
E-mail info@banarasbead.com
Website: www.banarasbead.com

E-MAIL & WEBSITE FOR INVESTOR

E-mail : investor@bblinvestor.com
Website : www.bblinvestor.com

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

Kamal Kishore & Co.
Chartered Accountants,
Firm No. 007424C
Varanasi

E-VOTING SCRUTINIZER

Ajay Jaiswal
Practicing Company Secretary
B-21/33, Flat No. 7, First Floor,
Raj Apartment, Kamachha, Varanasi

UNITS

A-1, A-5 Industrial Estate, Varanasi
Tandia, G.T. Road, Varanasi

BANKERS

Yes Bank Ltd.
Bank of Baroda
Kotak Mahindra Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II,
New Delhi - 110 020
Ph: - 26387281/82/83 Fax:- 26387384

email:- info@masserv.com
website : www.masserv.com

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NOTICE

NOTICE is hereby given that 35th 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 13th August, 2015 at 3.00 P.M. to transact the following **Ordinary and Special Business**:

Ordinary Business:

Item No. 1 - Adoption of accounts

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2015 including the audited Balance Sheet as at March 31, 2015 the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.

Item No. 2 – Declaration of dividend for F.Y. 2014-2015

To declare Dividend of Rs. 1/- on per Equity Share for the year 2014-2015.

Item No. 3 – Re-appointment of Director

To appoint a director in place of Shri Ashok Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment as director.

Item No. 4 – Appointment of Statutory Auditors

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Kamal Kishore & Co., Chartered Accountants, Varanasi (Firm Registration No. 007424C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Special Business:

Item No. 5- APPOINTMENT OF DIRECTOR

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Ordinary Resolution:-

"RESOLVED that Mrs. Shalini Chandra (DIN. 01036394) was appointed as an Additional Director with designation Executive Director of the Company w.e.f. 01.03.2015 on the given below remuneration, terms and conditions pursuant to the provisions of section 149, 152, 161, 196 and 197 read all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement and shall hold the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from her proposing her candidature for the office of Director, be and is hereby appointed as director of the company w.e.f. 13th August 2015 and liable to retire by rotation.

RESOLVE FURTHER that Mrs. Shalini Chandra is designated as Executive Director of the Company to hold the office of the company for her remaining period of five years upto 28th February' 2020, subject to re-appointment on retirement by rotation, on the remuneration, terms and conditions set out as follows-

i) SALARY:

A salary of Rs. 50000/= (Rupees Fifty thousand only) per month.

ii) PERQUISITES:

In addition to the above, the Executive **Director** shall be entitled to the following perquisites

a. REIMBURSEMENT OF MEDICAL EXPENSES:

Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of three years, as per Rules of the Company. For the above purpose, "Family" includes spouse, dependent children and parents.

b. PERSONAL ACCIDENT INSURANCE:

Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs. 10,000.

c. CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:

Contribution to Employee Provident Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.



d. GRATUITY / CONTRIBUTION TO GRATUITY FUND

As per the payment of gratuity act 1972 and including any amendment thereto.

e. ENCASHMENT OF LEAVE :

Encashment of leave at the end of the tenure.

f. LEAVE TRAVEL CONCESSION :

For the Executive **Director** and his family once in a year incurred in accordance with any rules specified by the Company.

Explanation: Family means the spouse, dependent children of the appointee.

g. REIMBURSEMENT OF EXPENSES:

Reimbursement of entertainment, travelling including out of India and all other expenses incurred for the business of the Company, as per Rules of the Company.

RESOLVED FURTHER that Mrs. Shalini Chandra shall be responsible to conduct, manage business and others works of the Company and she shall perform such other duties as shall from time to time be entrusted to her, subject to the superintendence, guidance and control of the Board of Directors of the Company.

Item No. 6- APPOINTMENT OF MR. ASHOK KUMAR KAPOOR AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Kumar Kapoor (DIN No.142499) , a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 7- APPOINTMENT OF MR. PRAVEEN SINGH AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Praveen Singh (DIN No. 787142) , a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 8- APPOINTMENT OF MR.TANMAY DEVA AS INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Tanmay Deva (DIN No. 390718), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 9- TO BORROW THE MONEY UPTO Rs. 300 CRORE FROM BANK AND OTHERS.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED that in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 15, 1995 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Act, 2013, and the rules made there under and as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed by the board of directors shall not at any time exceed the limit of Rs. 300 crore (Three Hundred Crore only).”

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

Item No. 10- Creation of Charges on the assets of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:



“RESOLVED that in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on September 15, 1995 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under and as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.300 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

ITEM NO. 11

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to accord assent/dissent to the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as new set of Articles of Association of the Company in place and in exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

By Order of the Board of Directors

By Order of the Board of Directors
For **BANARAS BEADS LIMITED**,

Sd/-

(R.K.SINGH)
Company Secretary

Place : VARANASI
Date : 25. 05. 2015

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 OF THE COMPANY.**

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. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 7th August, 2015 to Thursday 13th August, 2015 (both days inclusive).
3. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
4. Subject to the provisions of the Companies Acts, 2013 the Dividend Rs. 1/- per Equity Share, as recommended by the Board of Directors, if declare / approve at the Annual General Meeting, will be paid on September 5, 2015 as under-
 - a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited before books closer date 7th August, 2015.
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before book closer date 7th August, 2015.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip and proxy form for attending the Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.



7. The INE number of the company is 655B01011. The members holding shares in physical form are requested to dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

M/s Mas Services Limited (RTA of Banaras Beads Limited)

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020

Ph:- 26387281/82/83 Fax:- 26387384

Email:- info@masserv.com, website: www.masserv.com.

8. **Members are requested to make all query /correspondence directly with above Registrar of the company for transfer, transmission of shares, duplicate issue of share certificates, record in change of address and or other purposes.**
9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their **mobile number, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant** only and not to the Company's Registrars and Transfer Agents, M/s Mas Services Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Transfer Agent to provide efficient and better services.
10. The members holding shares in physical form are requested to send their change of address, **Intimate his mobile number** and other detail to the above RTA of the company or at Registered office of the company / **E-mail- investor@bblinvestor.com OR rksingh@banarasbead.com**.
11. As per provisions of Investor Education and Protection Fund of Companies (Declaration and payment of dividend) Rules 2014, the Company will upload information regarding unpaid and unclaimed amounts lying with company to the MCA and Company website. The Company has uploaded the details of unpaid and unclaimed amounts of dividends lying with the Company for F.Y. 2011-12, 2012-13 and 2013-14 (upto last AGM) with company's website and Ministry of Corporate Affairs website.
12. Members wishing to claim their unpaid Interim and Final dividends for F.Y. 2011-2012, Interim Dividend 2012-2013 and Dividend 2013-14 are requested to correspond with Company Secretary of the Company, at the Company's registered office or RTA. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Acts, 1956), be transferred to the Investor Education and Protection Fund.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update their e-mail addresses, in respect of shares held in dematerialized form **with their respective Depository Participants** and in respect of shares held in physical form **with above RTA directly to enable** company to send communication / documents via e-mail.
14. Copies of the Annual Report 2015 alongwith Notice of the 35th AGM, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

15. E-VOTING –

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is providing facility to its members to exercise their vote at the Annual General Meeting through e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The e-voting facility will be available during the following voting period:

Commencement of e-voting

August 10, 2015 at 10.00 a.m. IST

End of e-voting

August 12, 2015 at 5.00 p.m. IST

The instructions for members for voting electronically are as under:-

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (**Banaras Beads Limited**). Members can cast their vote online from **August 10, 2015 (10:00 am)** till **August 12, 2015 (5:00 pm)**.



Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (workroc@gmail.com) with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 6th August, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

- i. Initial password is provided in the enclosed attendance slip: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (1) to Sl. No. (10) above, to cast vote.

Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th June, 2015, can obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, info@masserv.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

C. Other information:

- o Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.
- The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.banarasbead.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 35th AGM of the Company on August 13, 2015 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

By Order of the Board of Directors

By Order of the Board of Directors
For **BANARAS BEADS LIMITED**,

Sd/-

(R.K.SINGH)
Company Secretary

Place : VARANASI
Date : 25.05.2015



EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

ITEM NO. 4

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C), Chartered Accountants (CAs), Varanasi were re-appointed as the statutory auditors of the Company for financial year 2014-15 at the Annual General Meeting (AGM) of the Company held on July 17, 2014. Further as per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. The notice of previous AGM was issued on 29.05.2014, thus this matter was not included in said AGM by clearly stating said provisions.

Under the provisions of 139 of Companies Act 2013 M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) are being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 25.05.2015, proposed the appointment of M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) as the statutory auditors of the Company for a period of remaining two years to hold office from the conclusion of this AGM till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

ITEM NO. 5

The Board of Directors has received a notice from Mrs. Shalini Chandra (DIN: 01036394) proposing her candidature as a director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. Mrs. Shalini Chandra is Post Graduate Diploma in Business Administration (PGDBA) from MIT School of Management of Pune in 1999. Thus, she has wide expertise in Business and Administration. The Nomination and Remuneration Committee and Board have reviewed the Notice. The Company has received from Mrs. Shalini Chandra the followings –

- (i) Consent in writing to act as Women / Executive Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.
- (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and

In the opinion of the Board of Directors, Mrs. Shalini Chandra proposed to be appointed, as a Director with designation Executive Director on the remuneration, terms and condition as stated in proposed resolution fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder. A copy of the draft letter for the appointment of Mrs. Shalini Chandra as Director with designation Executive Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting. None of the Directors, Key Managerial Personnel or their relatives, except Mrs. Shalini Chandra for whom the Resolution relates, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Mrs. Shalini Chandra as Director w.e.f. 13th August, 2015, liable to retire by rotation with designation as Executive Director of the Company for remaining five years upto 28th February 2020, pursuant to applicable provisions of the Act, Rules made there under.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

ITEM NOS.6 to 8: The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed Mr. Ashok Kumar Kapoor, Mr. Praveen Singh and Mr. Tanmay Deva, as Independent Directors at various times, liable to retire by rotation, in compliance with the requirements of the said Clause. Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further in this regard a clarification was issued by Ministry of Corporate Affairs, Government of India vide circular no. 14/2014 dt. 09.06.2014 and as per the same an "ID"/ an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. The matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the committee has recommended their appointment as Independent Director to the Board. The Board has appointed/ fixed their tenure in its meeting held on 22.01.2015, as Independent Director to be ratified/approved by Members in ensuing AGM. The other details in this regard is as under :-

Name of Independent Director	Appointed period/ID Tenure
Mr. Ashok Kumar Kapoor	From 01.03.2015 to 28.02.2020
Mr. Praveen Singh	From 01.03.2015 to 28.02.2020
Mr. Tanmay Deva	From 01.03.2015 to 28.02.2020

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges. A brief profile of the Directors to be appointed is given below:



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- Detail of Director Shri Ashok Kumar Kapoor, Independent Director-

Name	:	Shri Ashok Kumar Kapoor
Fathers name	:	Late Ram Krishna Kapoor
Date of Birth	:	15.10.1951
Nationality	:	Indian
Qualifications	:	Graduate.
Date of appointment on the board	:	Appointed as non-executive director in the company on 29.01.1999 and subsequently under the Companies Act 2013 first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
PAN No.	:	ADUPK1929M
DIN No.	:	00142499
List of directorship held in other Company(s)	:	i) M/s R.K. Impex (P) Limited
Chairmanship/membership of Committees in Public Companies	:	i) Chairman Audit Committee of Banaras Beads Ltd. ii) Member Shareholders/ Investor Grievance Committee of Banaras Beads Ltd. iii) Member Remuneration and Nomination committee of Banaras Beads Limited

EXPERIENCE:

Mr. Ashok Kumar Kapoor is having experience in Carpet, Handicrafts and other related items business, more than three decades.

- Detail of Director Shri Praveen Singh, Independent Director.

Name	:	Shri Praveen Singh
Fathers name	:	Late Kunwar Parmanad Prasad Singh
Date of Birth	:	05.03.1961
Nationality	:	Indian
Qualifications	:	Chartered Accountant and having vast experience in finance and accounts.
Date of appointment on the board	:	Appointed as non-executive director in the company on 07.11. 1998 and subsequently under the Companies Act 2013 first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
List of directorship held in other Company(s)	:	Nil
Chairmanship/membership of Committees in Public Companies	:	i) Chairman Investor Grievance Committee of Banaras Beads Ltd. ii) Member Shareholders/Audit Committee of Banaras Beads Ltd. iii) Chairman Remuneration and Nomination Committee of Banaras Beads Ltd.

EXPERIENCE:

Mr. Praveen Singh is a Chartered Accountant and having vast experience in finance and accounts.

- Detail of Director Shri Tanmay Deva, Independent Director.

Name	:	Shri Tanmay Deva
Fathers name	:	Late Diptiman Deva
Date of Birth	:	21.07.1971
Nationality	:	Indian
Qualifications	:	Graduate from Delhi University
Date of appointment on the board	:	Appointed as non-executive director in the company on 01.10. 2000 and subsequently under the Companies Act 2013 first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
List of directorship held in other Company(s)	:	M/s Nandi Exports (P) Limited
Chairmanship/membership of Committees in Public Companies	:	i) Member Investor Grievance Committee of Banaras Beads Ltd. ii) Member Shareholders/Audit Committee of Banaras Beads Ltd. iii) Members Remuneration and Nomination Committee of Banaras Beads Ltd.

EXPERIENCE:

Mr. Tanmay Deva is having experience in Carpet, Handicrafts and other related items business, more than 22 years



In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of their respective appointments shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment.

The Directors recommend the passing of resolution as a ordinary Resolution.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions at Item Nos.6 to 8 of the accompanying Notice.

ITEM NO. 9.

The members of the Company at their Annual General Meeting held on September 15, 1995, by way of an ordinary resolution, under Section 293(1)(d) of the Companies Act, 1956, had approved borrowings by the Board of Directors, over and above the aggregate of the paid up Share Capital of the Company and its free reserves, provided that the total amount of such borrowings, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in ordinary course of business) at any point of time, shall not exceed Rs. 50 crores (Rupees fifty crores only).

However, in terms of Section 180 (1) (c) of the Companies Act 2013, such borrowings requires the consent of the members of the Company by way of a Special Resolution.

Accordingly, it is proposed to pass a Special Resolution authorising the Board of Directors to borrow money in excess of paid up Share Capital and its free reserves, not exceeding Rs. 300 crores (Rupees Three hundred crores only) .

The Directors recommend the passing of resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 10.

The members of the Company at their Annual General Meeting held on September 15, 1995, by way of an ordinary resolution, under Section 293(1)(a) of the Companies Act, 1956, had authorised the Board of Directors to create mortgages and/or charges on all or any of the moveable and immovable properties of the Company in favour of banks, financial institution and any other lenders upto an aggregate amount of Rs. 50 crores (Rupees fifty crores only)

The Section 180(1) (a) of the Companies Act, 2013, requires that the Board of Directors shall not create mortgages and or charges on its movable or immovable properties, except with the consent of the members by way of a Special Resolution.

The Directors recommend the passing of resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 11.

The Articles of Association (hereinafter referred as "AOA") of the Company as presently based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. Upon enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and in view of the same the AOA of the Company needs to be realigned as per the provisions of the new Act.

The Board of Directors at its meeting held on 25th May, 2015 decided to incorporate/substitute/alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AOA of the Company, it was desirable to adopt a new set of AoA in place of and in exclusion to the existing AOA of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of AOA of the Company.

A copy of the proposed set of new Article of Association of the Company is separately attached and would be also available at web site at www.bblinvestor.com and at the Registered Office of the Company for inspection for the members during the office hours on all working days.

The Board recommends the resolution as set out at item no. 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or their relatives are concerned or interested in the said resolution.

By Order of the Board of Directors
For BANARAS BEADS LIMITED,

Sd/-

Place : VARANASI
Date : 25. 05. 2015

(R.K.SINGH)
Company Secretary



DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **35th Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2015.

FINANCIAL RESULTS:

	2014-2015	2013-2014
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	2356.93	2657.15
Net Profit Before Taxation	263.04	349.71
Net Profit after taxation	160.68	258.41
Balance of Profit & Loss Account B/F	886.90	818.25
<u>APPROPRIATIONS:</u>		
Transfer to General Reserve	10.00	36.00
Interim Dividend Paid @ 2.5 per Share		
Dividend Proposed @ 1.00 per Share	66.36	132.72
Tax on Dividend	10.77	21.53
Depreciation related to earlier years	9.47	0.00
Taxes of earlier Years	0.00	-0.49
Balance of Profit & Loss Account C/F	950.98	886.90

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby state and confirm -

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OPERATION:

During the year the turnover of the Company has been decreased despite taking all reasonable steps.

DIVIDENDS:

Based on the Company's performance during the year 2014-15, the Board of Directors decided to recommend dividend of Rs.1/- (i.e. 10%) per share amounting to Rs. 7712783 (inclusive of tax of Rs. 1076561). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

TRANSFER TO RESERVES:

The Board of the directors has proposed to transfer Rs. 10.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 73.55 lakhs is proposed to be retained in the Profit and Loss Account after provision of proposed dividend and taxes there on. Adjustment of Rs.9.47 Lakhs have been made in the Retained earnings for depreciation on fixed assets whose useful life has been expired before 1.4.2014.

SETTLEMENT OF MANAGEMENT DISPUTES:

As already reported that the decade old disputes between the two Groups of Shareholders namely Raj Kumar Gupta Group and Ashok Kumar Gupta Group stands resolved by order dated 04.07.2007 read with order dated 03.08.2007 passed by the Hon'ble Company Law Board in C.P. No. 14/99. The directions given by the CLB vide the aforesaid two orders were implemented and communicated to the Shareholders as part of Annual Report forming part of published Accounts for the F.Y.2006-2007 and onwards. However in this regard the Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others is still pending before Hon'ble Supreme Court for appropriate order. The matter is still pending before Hon'ble Supreme Court for final hearing/decision. Since long back the case is listing in weekly list instead of final list for hearing, company is trying for final hearing at the earliest. The matter is proposed to come in first week of July, 2015.



The Management does not reasonably expect that the Special Leave Petition, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

However in view of Hon'ble Supreme Court order Mr. Raj Kumar Gupta illegally stating himself as Executive Director and CEO of the Company, using letter head of Company and sending fake and baseless letters to the Company. The Board has rejected all such illegal and baseless letters of Mr. Raj Kumar Gupta.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

DIRECTORS:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Ashok Kumar Kapoor, Mr. Praveen Singh and Mr. Tanmay Deva as Independent Directors of the Company. Further in accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of this Annual General Meeting (AGM) of the Company.

Mrs Shalini Chnadra who was appointed as Additional Director as Executive Director on 01.03.2015 and holds the said office till the date of the Annual General Meeting. A notice has been received from a member proposing her candidature for his reappointment.

Mr. Ashok Kumar Gupta, Director, retires by rotation and being eligible has offered himself for re-appointment.

RE- APPOINTMENT OF SHRI ASHOK KUMAR GUPTA, AS MANAGING DIRECTOR.

The Company has filed by complying all relevant provisions and approval of Nomination and Remuneration Committee and approval of board an application before Central Govt. on 18.02.2014 and on 09.08.2014 under Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule V to the Companies Act, 2013 to get permission of re- appointment of Shri Ashok Kumar Gupta, as Managing Director a further period of five years, w.e.f. 1st April' 2014. The same is still pending before Central Government for appropriate decision.

The company has not paid any remuneration to him for want of said approval and if the approval is granted from the date of re appointment, then the company will have to pay remuneration of Rs 24.00 Lakhs and provident fund contribution amounting to 2.88 Lakhs. The whole amount has been shown as contingent liabilities of the company in note no. 26.

Key Managerial Personnel –

During the year Shri Jai singh has been appointed as Chief Financial officer.

APPOINTMENT OF AUDITORS AND AUDITOR REPORT:

M/s Kamal Kishore & Co., Chartered Accountants, the Auditors of the Company, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s Kamal Kishore & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty seventh AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. They have confirmed their eligible to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any disqualification, reservation or adverse remark.

SECRETARIAL AUDITOR:

The Board has appointed Mr. P. N. Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March31, 2015 is annexed herewith marked as **Annexure –I** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The extract of Annual Returns [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014] as on the financial year ended on 31.03.2015 is attached as **Annexure- II** with this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

a) **Conservation of Energy :**

The operations of the Company involve low energy consumption. Adequate measures have been taken to conserve the energy.

b) **Technological Absorption:**

The Company has imported machines from China and Check Republic to upgrades its technological inputs for its products. However presently company has no collaboration arrangement with any foreign organization.



c) Foreign Exchange Earning and Outgo:

The actual foreign exchange earnings (inflow) of the Company during the financial year has been Rs 1651.87 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 223.08 lakhs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

Corporate Governance Report, Management Discussion and Analysis statement and Business Responsibility Report and a certificate from the Auditors confirming compliance are annexed herewith to this report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

Number of meeting of board

Four Board Meetings were held during the F.Y. on 29th May' 2014, 31st July, 2014, 30th October , 2014 & 22nd January, 2015.

Statement of declaration given by independent directors U/s 149 (6).

All the Independent Directors have given their declaration as per Section 149(7) that they meet the criteria of independence as provided in section 149(6) of the Companies Act 2013.

Policy on directors' appointment and remuneration-

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31.03.2015, the board consists of 6 members, three of whom are executive or whole-time directors including one woman and three are independent directors.

The policy of the company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of section 178 of the Companies Act, 2013. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

FIXED DEPOSITS:

We have not accepted any fixed deposits and as such, no amount of principal interest was outstanding as of the balance sheet date.

Particulars of employees as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 –

The company did not have any employee covered by the provisions of Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FINANCE

The Company has repaid loan taken from Bank of Baroda and Yes Bank has sanctioned fresh limits of Rs. 1500.00 lakhs during the year and the amount of loan outstanding as on 31.3.2015 was Rs.1494.43 lakhs.

DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and Investments made are given under the respective heads.

No Corporate Guarantees given by the Company in respect of loans as at 31st March, 2015.

Particulars of contract U/s 188

Transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 27 of Financial Statements, forming part of the Annual Report. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization



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and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

Corporate social responsibility

The Provision of Social Responsibility is not applicable to the Company.

Evaluation report on capital

The Provision of Evaluation on Capital is not applicable to the Company. Besides that the Board met time to time and appraised performance of the Company. The ways and means were made to increase the business and growth of the Company.

MATERIAL CHANGES :

No material changes were made during the year which affects the financial and commitments of the Company.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

CREDIT RATING :

The company had been recognized/rated as "ICRA SME 2" by ICRA Ltd. Expired on 26.3.2015 and the same is under renewal process.

TRADING OF SHARES UNDER "B" GROUP:

The shares of your Company are presently being traded with BSE and NSE Stock Exchanges under "B" Group.

ACKNOWLEDGMENT:

The Directors wish to place on record their sincere appreciation of the devoted and efficient services rendered by all officers, employees and others associated with the Company.

By order of the Board of Directors
For **BANARAS BEADS LTD.**

Sd/-

(Ashok Kumar Gupta)
Chairman & Director

Place : VARANASI
Date : 25.05.2015



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ANNEXURE- I TO DIRECTORS' REPORT SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Banaras Beads Limited
Varanasi

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Banaras Beads Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Banaras Beads Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Banaras Beads Limited ("the Company") for the financial year ended on 31.03.2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I further report that there were no actions/events in pursuance of the following:-

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The company has complied all the applicable provisions of law including ESIC, EPF, Labour laws etc.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decision is carried out unanimously by the members and recorded proper way in minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no issues which required specific compliance of the provisions of Companies Act 2013, SEBI (Issue of capital and disclosure Requirements) Regulation 2009 and other acts.

Place: Varanasi
Date: 25.05.2015

Prabhu Narayan Gupta
ACS No. 2587
C P No.: 3046



ANNEXURE-II TO DIRECTOR REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Sl. No.		
I		REGISTRATION AND OTHER DETAILS:
i)	Corporate Identity Number (CIN) of the company :-	L01131UP1980PLC004984
ii)	Registration Date	10.04.1980
iii)	Name of the Company	Banaras Beads Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	A-1, Industrial Estate, Varanasi-221106 e-mail- investor@bblivestor.com Website. www.bblivestor.com Ph. No. 0542-2370161-164 (Four Lines) Fax No. 0542-2370165
vi)	Whether listed company Yes / No	Yes with BSE and NSE
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Mas Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph: - 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Handicraft items like Glass Beads Necklaces, Imitation Jewellery	231	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	NA				
2					
3					

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.05.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	



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A. Promoters									
(1) Indian									
a) Indiv/HUF	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
h) Central Govt	0	0	0	0	0	0	0	0	0
i) State Govt (s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	0	0	0	0	0	0	0	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20	0	20	0.00	20	0	20	0.00	0
b) Banks / FI	19078	0	19078	0.29	70	0	70	0.00	0
c) Central Govt	0	0	0	0	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0
g) FIIs	0	0	0	0	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others (specify)	0	0	0	0	0	0	0	0.00	0
Sub-total (B)(1):-	19098	0	19098	0.29	90	0	90	0.00	0
2. Non-Institutions									
a) Bodies Corp.	52807	33670	86477	1.30	108553	33570	142123	2.14	0
i) Indian									
ii) Overseas									
b) Individuals	464728	596819	1061547	16.00	642602	578339	1220941	18.40	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1622286	0	1622286	24.44	1409228	0	1409228	21.23	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify) non-resident Indian./OCB	1204	0	1204	0.03	13788	0	13788	0.21	0
d) Any other (specify) clearing member	2253	0	2253	0.03	6795	0	6795	0.10	0
e) Any other (specify) Employee	120	910	1030	0.02	120	810	930	0.01	0
g) Any other (specify) Directors and relative	2205	4530	6735	0.10	2205	4530	6735	0.10	0
Sub-total (B)(2):-	2145603	635929	2781532	41.91	2183291	617249	2800630	42.20	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	2164701	635929	2800630	42.20	2183381	617249	280063	42.20	0



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C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6000293	635929	6636222	100.00	6018973	617249	6636222	100.00	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ASHOK KUMAR GUPTA	1363402	20.54	NIL	1363402	20.54	NIL	NIL
2	REKHA GUPTA	739830	11.15	NIL	739830	11.15	NIL	NIL
3	ASHOK KUMAR GUPTA HUF	544920	8.21	NIL	544920	8.21	NIL	NIL
4	PRASHANT GUPTA	472540	7.12	NIL	472540	7.12	NIL	NIL
5	VAISHALI GUPTA	350110	5.28	NIL	350110	5.28	NIL	NIL
6	SIDDHARTH GUPTA	201000	3.03	NIL	201000	3.03	NIL	NIL
7	DEEPA GUPTA	163790	2.47	NIL	163790	2.47	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year	NIL			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
1	RAM GULAM KANHIYA LAL CHARITABLE TRUST	1072000	16.15	1072000	16.15
2	VIRAF F CHINYO	184000	2.77	117066	1.76
3	ANIL KUMAR GUPTA	156153	2.35	46975	0.71
4	S SHYAM	63222	0.95	63222	0.95
5	RUPI V CHINYO	61400	0.93	NIL	NIL



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6	HARI PRAKASH GUPTA	37941	0.57	37941	0.57
7	CELSIA PHILOMENA BOCARRO CORONA	NIL		30000	0.45
8	UDAY RAMESH SHAH	18000	0.27	NIL	NIL
9	SEKHAR SHYAM	15000	0.23	NIL	NIL
10	SHRI NARAIN	14570	0.22	16908	0.25
11	SAROJ H. PANCHAL	NIL	NIL	15079	0.22
12	MANJULA KISHOR CHANDRA RATHOD	NIL	NIL	10037	0.15
13	BUL BUL	9900	0.15	9900	0.15
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Shri Ashok Kumar Gupta	1363402	20.54	1363402	20.54
	Shri Siddharth Gupta	201000	3.03	201000	3.03
	Shri Ashok Kumar Kapoor	NIL	NIL	NIL	NIL
	Shri Praveen Singh	550	0.00	550	0.00
	Shri Tanmay Deva	50	0.00	50	0.00
	Mrs. Shalini Chandra	NIL	NIL	5300	0.08
	Shri Ramesh Kumar Singh	NIL	NIL	NIL	NIL
	Shri Jai Singh	10	0.00	10	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43.81	-----	-----	43.81
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	-----	-----	-----
Total (i+ii+iii)	43.81	-----	-----	43.81



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Change in Indebtedness during the financial year <input type="checkbox"/> Addition <input type="checkbox"/> Reduction	3516.57 2065.94	----- -----	----- -----	3516.57 2065.94
Net Change	1494.43	-----	-----	1494.43
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	1494.43 ---- ----	---- ----- ----	---- ----- ----	1494.43 ---- ----
Total (i+ii+iii)	1494.43	----	----	1494.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Siddharth Gupta (CEO & MD)	Shalini Chandra (E. D.)	Ashok Kumar Gupta		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1666560	56000	0*		1722560
2.	Stock Option	NIL	NIL			
3.	Sweat Equity	NIL	NIL			
4.	Commission - as % of profit - others, specify...	NIL	NIL			
5.	Others, please specify	NIL	NIL			
	Total (A)	NIL	NIL			
	Ceiling as per the Act	NIL	NIL			

* Amount payable for the year Rs.24.00 lakhs and PF contribution 2.88 lakhs on approval of re-appointment from Ministry Of Corporate Affairs, treated as contingent liability.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	Ashok Kumar Kapoor	Praveen Singh	Tanmay Deva		
	<input type="checkbox"/> Fee for attending board / committee meetings (sitting fee)	17000	13000	12000		42000



	Total (1)	17000	13000	12000		42000
	4. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	NIL	NIL	NIL		NIL
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		661200 NIL NIL	100800 NIL NIL	762000 NIL NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...		NIL	NIL	NIL
5.	Others, please specify				
	Total		661200	100800	762000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				



B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 in Rs	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/to median remuneration of employee	Comparison of the Remuneration of the KMP against the performance of the Company
1	Ashok Kumar Gupta Chairman & Director	NIL	NIL	NIL	
2	Siddharth Gupta CEO & Managing Director	1666560	19.23%	22:1	Profit before Tax decreased by 24.78% and Profit After Tax decreased by 37.82% in Financial year 2014-15
3	Shalini Chandra Executive Director	56000	*		
3	Ramesh Kumar Singh Company Secretary	661200	8.85%	9.5:1	Profit before Tax decreased by 24.78% and Profit After Tax decreased by 37.82% in Financial year 2014-15
4	Jai Singh Chief Finance Officer	100800	*		

ii) The median remuneration of employees of the Company during the financial year 2014-15 was Rs. 69350 and in Financial Year 2013-14 was Rs. 61858

iii) In the financial year, there was an increase of 12.11 % in the median remuneration of employees;

iv) There were 322 permanent employees on the rolls of Company as on March 31, 2015;

v) Relationship between average increase in remuneration and company performance:-

* Details not given as Sri Jai Singh was a not Chief financial Officer in the financial year 2013-14

* Details not given as Smt. Shalini Chandra was a not Executive Director in the financial year 2013-14

The Profit before Tax for the financial year ended March 31, 2015 decreased by 24.78% whereas the increase in median remuneration was 12.11%. The average increase in median remuneration was not in line with the performance of the Company.

vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:



The total remuneration of Key Managerial Personnel increased by 25.44% from 6.07 lacs in 2013-14 to 7.62 lacs in 2014-15 whereas the Profit before Tax decreased by 24.78% to 263.04 lacs in 2014-15 (349.71 lacs in 2013-14).

vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was Rs. 2193.27 lacs (Rs. 1778.51 lacs as on March 31, 2014)

b) Price Earnings ratio of the Company was 13.66 as at March 31, 2015 and was 6.89 as at March 31, 2014

vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 5.12 % and in the managerial remuneration increase for the same financial year was 28.98%.

viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and

x) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For BANARAS BEADS LTD.,

Sd/-

(Ashok Kumar Gupta)
Chairman & Director

Place : VARANASI

Date : 25. 05. 2015

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

The statements made in this Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from such expectation whether express or implied. Several factors that could make significant impact on the company's operations include global and domestic demand and supply conditions, input availability and prices, changes in Government regulations, foreign policy, foreign currency, tax laws, economic developments within the country and other factors.

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The Company is Manufacturer and Exporter of Glass Beads, Necklaces, imitation Jewellery, handicrafts and other related items.

OPPORTUNITIES & THREATS:

The company's product is fashionable items and having much business scope in indigenous and international market. But the China has dumped its products at low price. Resultantly competition has increased and the Company is forced to reduce its price. The fluctuation in foreign currency price also affected the profit of the Company.

The management has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reduction and widen its marketing net work. We hope in coming years Company will able to compete price with China.

SEGMENT:

The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Necklaces, Imitation Jewellery etc.. All those items form just one Segment. The sale of minor items such as carpets and other items is less than 10% of total sales. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not required.

FINANCIAL / OPERATIONAL PERFORMANCE:

	2014-2015	2013-2014
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	2356.93	2657.15
Net Profit Before Taxation	263.04	349.71
Net Profit after taxation	160.68	258.41
Balance of Profit & Loss Account B/F	886.90	818.25
<u>APPROPRIATIONS:</u>		
Transfer to General Reserve	10.00	36.00
Interim Dividend Paid @ 2.5 per Share		
Dividend Proposed @ 1.00 per Share	66.36	132.72
Tax on Dividend	10.77	21.53
Depreciation related to earlier years	9.47	0.00
Taxes of earlier Years	0.00	-0.49
Balance of Profit & Loss Account C/F	950.98	886.90

OUTLOOK:

The company has imported and installed Glass Beads Making and molding Machines by incurring rupees more than one crore. The production on said new machines have been started and in coming year demand of company products will be increased international and indigenous market.

RISK & CONCERNS:

The main business of your Company is Export business, thus uncertainties in Global economy / international market is major risk for your company. Any further change in duty draw back, DEPB and Exchange Rate policies would have a direct effect on the profitability of the Company. The management of your Company is hopeful on offsetting any adverse impact by better management abilities.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has developed adequate Internal Control Systems, commensurate to its size and business, which are aimed at achieving efficiency in operations, effective monitoring and optimum utilisation of resources. The Company has appointed M/s. G.D. Dubey & Associates, Chartered Accountants, to conduct the Internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee. The Company has been accredited with ISO 9001:2008 and follows the prescribed parameters.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

After taking all efforts during the financial year the handmade glass beads sales/export were decreased and machines made glass beads and handicrafts items increased. The during the year exports was Rs. 1693.61 lacs in the comparison of previous year of Rs.2040.44. This trend is expected to improve.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2015 was 322 out of which 123 women employees are working.

DISCLOSURES BY SENIOR MANAGEMENT PERSONNEL (I.E) ONE LEVEL BELOW THE BOARD INCLUDING ALL FUNCTIONAL HEADS:

None of the Senior Management personnel has Financial and Commercial transaction with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

For BANARAS BEADS LTD.,

Sd/-

Place : VARANASI
 Date : 25.05.2015

(Ashok Kumar Gupta)
Chairman & Director

CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and in clause 49 of the Listing Agreement is set out below:

1. COMPANY'S PHILOSOPHY:

The Company has made fair, transparent and ethical governance practices to maintain high level of transparency and accountability in it's all area of functioning and relationship with suppliers, buyers, employees, bankers and proper regulatory compliances. The company also believes that its systems and procedure will enhance Corporate performance and maximize shareholders value in the long term.

2. BOARD OF DIRECTORS:

The company is having six directors including three executive and three independent directors. The Board's role, function responsibility, accountability and number of other Directorship and Chairmanship / Membership of Committees of each Director in various other Companies are as follows:

NAME OF DIRECTOR	Category	NUMBER OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBER/CHAIRMANSHIP		
		Other Directorship	Committee Membership	Committee Chairmanship
1. Shri Ashok Kumar Gupta	Chairman & Director	3	1	1
2. Shri Ashok Kumar Kapoor	Non-Executive and Independent Director	NIL	3	2
3. Shri Praveen Singh	Non-Executive and Independent Director	NIL	3	2
4. Shri Tanmay Deva	Non-Executive and Independent Director	1	4	NIL
5. Shri Siddharth Gupta	CEO & Managing Director	3	NIL	NIL
6. Smt. Shalini Chandra	Executive Director	1	NIL	NIL

3. NUMBERS OF BOARD MEETING HELD:

Four Board Meetings were held during the F.Y. on 29th May' 2014, 31st July, 2014, 30th October, 2014 & 22nd January, 2015.

4. ATTENDANCE OF EACH DIRECTORS:

The following is the attendance of each director at the Board Meetings and last Annual General Meeting:-

NAME OF DIRECTOR	ATTENDANCE PARTICULARS	
	Board Meeting	Last AGM
1. Shri Ashok Kumar Gupta	4	Yes
2. Shri Ashok Kumar Kapoor	4	Yes
3. Shri Praveen Singh	3	Yes
4. Shri Tanmay Deva	3	Yes
5. Siddharth Gupta	3	Yes
6. Shalini Chandra	1	NA

5. CODE OF CONDUCT:

The company has made Code of Conduct for its directors, senior management and employees. The said code of conduct is available on the Company's web-site. All the Board Members and senior management of the Company as on March 31, 2015 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto.

6. AUDIT AND RISK MANAGEMENT COMMITTEE:

In terms of the provisions of Sec. 177 of the Companies Act, 2013 read with Clause 49 of the and other provisions of Listing Agreement with the Stock Exchanges, the Board of Directors of the Company constituted an Audit Committee, comprising of three Non-Executive Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva as its Members. The Company Secretary acts as Secretary to the Committee.

The meetings of the Audit Committee were held 28th May' 2014, 31st July, 2014, 30th October, 2014 & 22nd January, 2015 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2014-2015. Mr. Ashok Kapoor attended all four meetings whereas Mr. Praveen Singh and Mr. Tanmay Deva have attended three meetings.

The terms of reference to this committee cover the matters specified for Audit and Risk Management Committee under Clause 49 of Listing Agreement.

7. NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted a Nomination and Remuneration Committee comprising of Mr. Praveen Singh, Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva, independent and Non Executive Directors of the company. Mr. Parveen Singh is the Chairman of the Committee. The main function of the said committee is to review and recommend appointment and remunerations of managerial personnel and to do all other related works.

The meetings of the Nomination and Remuneration Committee were held on 28th May' 2014, 30th July, 2014, 29th October, 2014 & 21st

January, 2015 to review remuneration with regard to re-appointment of Mr. Ashok Kumar Gupta and change in designation and remuneration of CEO and Managing Director Mr. Siddharth Gupta. Mr. Ashok Kumar Kapoor attended all four meetings whereas Mr. Praveen Singh attended three meetings and Mr. Tanmay Deva attended two meetings. No remuneration is paid to Non-executive and independent Directors.

8. INDEPENDENT DIRECTORS MEETING.

There are three Independent Directors namely Shri Praveen Singh, Shri Ashok Kumar Kapoor and Shri Tanmay Deva under the provisions of Companies Act 2013 and Listing Agreement. All three Independent Directors were hold their independent meeting on 22.01.2015 and the same was chaired by Mr. Tanmay Deva.

9. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met four times during the year 2014-2015 and approved or rejected demat (s) / transfer (physical) of shares request, details given below. The Minutes of the share transfer committee were laid before the Board of Directors of the Company for their ratification and they have ratified from time to time.

Particulars	Physical Transfer	Transmiss ion	Demat	Remat
No. of shares received	4150	220	19690	0
No. of shares accepted	4150	220	18670	0
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	1020	

b) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Ashok Kumar Kapoor, Chairman, Shri Praveen Singh and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares, non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 28th May' 2014, 31st July,2014, 30th October ,2014 & 22nd January, 2015.

c) COMPLIANCE OFFICER :

The Board has designated Shri R.K. Singh, Company Secretary as the Compliance officer. But the investors will lodge their query, requests/complaints with the Registrar to the Company at-

M/s Mas Services Ltd. (share transfer Registrar / agent)
 T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020,
 Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com

In special case shareholder may write to the Company for any query at-

Banaras Beads Limited,
 A-1, Industrial Estate, Varanasi – 221106. Phone No. 0542-2370161-164, Fax No. 0542-2370165
 E-mail- investor@bblinvestor.com or rk Singh@banarasbead.com

d) The status of total number of complaint received during the financial year 2014-2015 -

The Company has made policy to resolve / redress the complaint within 10 days by themselves or through RTA. During the year company has received 15 complaints regarding non-receipt of dividend, demat/ transfer of shares and 125 request to revalidate warrants / issue duplicate demand draft(s)/ all complaints / request have been resolved timely. Some Members have talked over phone time to time about demat, transfer, change of address, issue of duplicate share certificate, future prospects, dividend position, non-receipt of dividend etc. The same have been replied timely. No complaint / query is pending for reply / redressal as on 31.3.2015.

10. GENERAL BODY MEETINGS:

Location and time for the last three Annual General meetings are as under –

Year	Location	Date	Time	Special resolutions passed
	A-1, Industrial Estate, Varanasi			
2011-2012	-Do-	19.07.2012	3.00PM	No special resolution passed
2012-2013	-Do-	04.08.2013	3.00PM	No special resolution passed
2013-2014	-Do-	17.07.2014	3.00PM	No special resolution passed

Postal ballots : For the year ended on 31st March' 2015 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

11. OTHER DISCLOSURES:

- a) None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.27 of Notes on accounts in the Annual Report.



- b) The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year.

12. MEANS OF COMMUNICATION:

The Annual, half yearly and Quarterly results are usually submitted to the Stock Exchanges in accordance with Listing Agreements and same are sent to the newspapers for publication. The Management discussion and Analysis Report is part of Annual Report, which is now included in the Annual Report.

13 (i) SHAREHOLDERS INFORMATION:

- | | | |
|---|--|---|
| 1. Annual General Meeting | Date
Time
Venue | : 13.08.2015,
: 3:00 P.M
: A-1, Industrial Estate, Varanasi |
| 2. Financial Calendar 2014-2015 | | : (F.Y. 01/04/2014 to 31/03/2015)
: |
| 3. Dates of Books Closure | | : From 7 th August, 2015 to Thursday, the 13 th August, 2015
(both days inclusive) |
| 4. Dividend payment | | : Dividend recommended @ Rs.1.00 per share for F.Y.2014-2015. |
| 5. Listing on Stock Exchanges | | : Bombay Stock Exchange
National Stock Exchange |
| 6. Listing Fees | | : Fees paid BSE and NSE. |
| 7. Stock Code with BSE | | : 526849 |
| 8. Demat ISIN Number in NSDL | | : INE655B01011 |
| 9. Registered Office | | : A-1, Industrial Estate, Varanasi |
| 10. Location of the Plant | | : A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi |
| 11. Registrars for share transfer and demat purposes | | : Mas Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Ph:- 26387281/82/83 Fax:- 26387384
email:- info@masserv.com website : www.masserv.com |
| 12. Shareholders' Correspondence | | : All correspondence / communications regarding shares related i.e. transfer, transmission, demat, Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case of any problem, shareholder(s) may write to the company. |
| 13. Compliance Officer | | : Sri R.K. Singh, Company Secretary |
| 14. Designated Exclusive E-mail for investor service and Website | | : investor@bblinvestor.com or www.bblinvestor.com |

13(ii) SHARE TRANSFER SYSTEM:

The company has appointed M/s Mas Services Ltd., New Delhi as the Registrar and Transfer Agent for all shares related works i.e. transfer/transmission of shares, duplicate issue of certificate, change of address /mandate etc. the transfer of shares in physical form and demat are normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The Share Transfer Committee is empowered to approve the shares related works done by RTA and officer(s) of the company.



13(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2015:

Particular	No. of Shareholder	% out of total share holders	Number of Share held	% of share holding
001 – 500	6360	94.236	734361	11.066
501 – 1000	203	3.008	147956	2.230
1001 – 2000	91	1.348	137537	2.073
2001 – 3000	30	0.445	74551	1.123
3001 – 4000	21	0.311	72988	1.100
4001 – 5000	6	0.089	27244	0.411
5001 – 10000	19	0.282	136819	2.062
10001 – above	19	0.282	5304766	79.937
	6749	100.00	6636222	100.00

13(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2015:

The category wise share holding of Members of the Company as on 31.03.2015 is as under –

Category	No. of Shares held	% of the Shares held
1- a) Promoters / Associates / Directors	3835592	57.798
b) Non Promoters and Independent Directors	600	0.009
2- Other Bodies Corporate	142123	2.149
3- Financial Institution / Bank	70	0.001
4- Mutual Fund	20	0.000
5- Trust	1072000	16.154
6- Non resident Indian/OCB	13788	0.021
7- Clearing Member	6795	0.102
8- Employee	930	0.014
9- Director's relative	6735	0.101
10- Indian Public	1557569	23.470
Total -	6636222	100.00

13(v) DEMATERIALIZATION OF SHARES:

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26th March, 2001 and as on 31st March, 2015 total number of 6018973 equity shares representing 90.70 % of the Equity Share Capital have been dematerialized. However out of total 6749 shareholders, 2827 shareholders (41.887%) have dematerialised their shares.

13 (vi) STOCK MARKET DATA:

Period (Apr 2014 to Mar 2015)

BSE				NSE			
Month	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares	
Apr 14	35.95	25.80	17172	32.30	29.65	4335	
May 14	36.75	27.55	34075	37.95	26.10	23266	
Jun 14	39.05	33.00	61100	38.95	33.00	61907	
July 14	38.95	28.60	35759	38.90	33.00	32962	
Aug 14	42.80	29.40	19407	40.00	33.70	23168	
Sep 14	56.45	30.00	340375	59.00	34.50	242211	
Oct 14	55.00	37.10	30951	59.00	40.60	62138	
Nov 14	64.00	42.55	326566	64.45	42.25	279553	
Dec 14	55.85	37.00	43151	58.00	40.00	90660	
Jan 15	50.00	38.95	62746	51.80	37.15	49479	
Feb 15	47.80	38.00	68932	49.95	37.80	70255	
Mar 15	41.00	35.00	24906	44.85	29.40	28167	

13(vii) The Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on Equity: **Not Applicable.**

13(VIII). The Company had **complied Voluntary delisting proceeding with Ahmadabad, Calcutta, Delhi Stock Exchanges under regulation clause 6 (a) of SEBI (Delisting of Equity Shares) Regulations, 2009 during last year. But the said stock exchanges were not yet send its delisting notice/confirmation to the Company.**

The Shares of the Company is still continuing to list with BSE and NSE.

13(ix) Non-mandatory requirements – Not adopted.

14. CEO / CFO CERTIFICATION :

CEO / CFO Certificate in Compliance to Clause 49 of Listing Agreement is enclosed in respect of the financial year 2014-2015.

For BANARAS BEADS LTD.

Sd/-

Place : VARANASI
Date : 25. 05. 2015

(Ashok Kumar Gupta)
Chairman & Director



DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2015.

For Banaras Beads Limited

Sd/-

(Siddharth Gupta)
CEO & Managing Director

CFO CERTIFICATE

To,
The Board of Directors,
Banaras Beads Limited
Varanasi

We, Jai Singh, CFO of Banaras Beads Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and loss account (consolidated and standalone), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Director's report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statement made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made know to us by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
 - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - (d) Disclosure in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal over financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :
 - (a) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - (b) There were no significant changes in internal controls during the year covered by this report.
 - (c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - (d) There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.
8. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to *whistleblowers* from unfair terminations and other unfair or prejudicial employment practices.
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For BANARAS BEADS LTD.

Sd/-

(Jai Singh)
Chief Finance Officer

Place : VARANASI
Date : 25. 05. 2015



AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(As per clause 49 of the Listing Agreement with the Stock Exchanges)

To,
The Members
Banaras Beads Ltd.

We have examined the compliance of conditions of Corporate Governance by Banaras Beads Limited, for the 31st March' 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance as stipulated in the said clause. 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 accordingly to the explanations given to us and based on representation made by the directors and the Management, we certify that the Company has complied with condition of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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 Kamal Kishore & Co.
Chartered Accountants

Sd/-

Place : VARANASI.
Date : 25. 05. 2015

(Kamal Kishore Srivastava)
Partner M. No. 071639



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company : L01131UP1980PLC004984

1. **Name of the Company** : Banaras Beads Limited
2. **Registered address** : A-1, Industrial Estate, Varanasi-221106
3. **Website** : www.banarasbead.com, OR www.bblinvestor.com
4. **E-mail id** : info@banarasbead.com OR rk Singh@banarasbead.com
5. **Financial Year reported** : April 1, 2014 to March 31, 2015
6. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Necklaces, Imitation Jewellery etc., which may be classified under following groups:

Industrial Group			Product Description
Group	Class	Sub-class	
231	2310	23109	Manufacturing of Glass Beads
321	3211	32119	Manufacturing of other articles of gold, silver and other precious and semi precious metal and stone.
321	3212	32120	Manufacture of imitation Jewellery, Handicrafts and other related items.

7. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

As per clause 6 stated above

8. **Total number of locations where business activity is undertaken by the Company**

i. **Number of International Locations (Provide details of major 5)** : No International location

ii. **Number of National Locations**

Number of National Locations: 1 (Varanasi)

9. **Markets served by the Company –**

USA, South Africa, United Kingdom & Ireland, Europe, Middle East & Africa and India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 661.35 Lacs
2. **Total Turnover (INR)** : 2173.35 Lacs
3. **Total profit after taxes (INR)** : 160.68 Lacs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : N.A.
5. **List of activities in which expenditure in 4 above has been incurred:-** Social work/improvement of art and other related works.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** : No.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)** : NA
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]** : NA

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

- a) **Details of the Director/Director responsible for implementation of the BR policy/policies.**

- DIN Number - 0016661
- Name - Shri Siddharth Gupta
- Designation – CEO & Managing Director

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	00342369
2.	Name	Shri Siddharth Gupta
3.	Designation	CEO and Managing Director
4.	Telephone number	0542-2370161-64
5.	e-mail id	siddharth@banarasbead.com

2. PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES (REPLY IN Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows.

- P1 Business should conduct and govern themselves with ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible Manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	N	-	Y	N	Y	Y	-	-	-
4.	Has the policy being approved by the Board? Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	-	-	Y	-	Y	-	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6.	Indicate the link for the policy to be viewed online?	—								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy have been communicated to internal key stakeholders of the company.								
8.	Does the company have in-house structure to implement the policy/policies.	Yes, the company has an in-house structure which is reviewed by the board.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Board of Directors undertakes the responsibility of addressing stakeholder concerns related to the BR policies.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	NO								

2a. IF ANSWER TO S.NO. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year	Y	Y	Y	Y	Y	Y	Y	Y	
6.	Any other reason (please specify)									

3. GOVERNANCE RELATED TO BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: 3 - 6 Month
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? : No

SECTION E: PRINCIPLE-WISE PERFORMANCE.

PRINCIPLE 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? : The Company and all associated are covered by this policy.
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If
so, provide details thereof, in about 50 words or so.

During the year company has received 15 complaints regarding non-receipt of dividend, demat/ transfer of shares and 125 request to revalidate warrants / issue duplicate demand draft(s)/ all complaints / request have been resolved timely.

PRINCIPLE 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. : The company products are not having any environmental risk and having much opportunities for small Karigars and villagers in cottage industries sector.
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.
 - Reduction during usage by consumers (energy, water) has been achieved since the previous year.
- Does the company have procedures in place for sustainable sourcing (including transportation)? : If yes, what percentage of your inputs was sourced sustainably?

The Company's motto is to establish long term relationship with its vendors. In addition to techno-commercial aspects, emphasis also laid on factors like safe working conditions, prevention of child labour and general housekeeping.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? : Yes
If yes, what steps have been taken to improve their capacity and capability of local and small vendors? :

The Company gives preference to small firms, Karigar, organizations, particulars belonging to villages and schedule tribes. The company provide training to local Karigers for improving their skill and productivity.

6. Does the company have a mechanism to recycle products and waste? : Yes

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. : All wastages are either recycle or sold for recycling.

PRINCIPLE 3

1. **Please indicate the Total number of employees.** 322
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.** 48
3. **Please indicate the Number of permanent women employees.** 123
4. **Please indicate the Number of permanent employees with disabilities:** 6
5. **Do you have an employee association that is recognized by management?** : NO
6. **What percentage of your permanent employees is members of this recognized employee association?** : NA
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.** NIL

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- **Permanent Employees**
- **Permanent Women Employees**
- **Casual/Temporary/Contractual Employees :** NIL
- **Employees with Disabilities :**

Time to time training were provided to all the concerned Employee including women.

PRINCIPLE 4

1. **Has the company mapped its internal and external stakeholders?** : Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?** : NO
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. :** NO

PRINCIPLE 5

Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? : The company adheres to status of India's Factories Acts 1941, which embodies some of the human rights principal such as prevention of child labour, forced labour and compulsory labour.

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? : None

PRINCIPLE 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.** : The Company and all associated are covered by this policy.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?** Y/N. If yes, please give hyperlink for webpage etc. : NO
3. **Does the company identify and assess potential environmental risks?** : No potential environmental risks.
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or**

- so. Also, if Yes, whether any environmental compliance report is filed? : No.
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. : No.
 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? : NA
 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. NIL

PRINCIPLE 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: YES
 - a. Federation of Indian Export Origination (FIEO)
 - b. Chemical and allied promotion Export Council India (CAPEXIL)
 - c. EPCH
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) : No.

PRINCIPLE 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. NO.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? : No.
3. Have you done any impact assessment of your initiative? : No.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. No.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. No.

PRINCIPLE 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. : NIL
2. Does the company display product information on the product label, over and above what is mandated as per local laws? : Yes
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so: No.
4. Did your company carry out any consumer survey/ consumer satisfaction trends? : No.

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF BANARAS BEADS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Banaras Beads Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 & 32 to the financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kamal Kishore & Co.
Chartered Accountants
(Firm No 007424C)

Sd/-

(Kamal Kishore Srivastava)
Partner M. No. 71639

Place: VARANASI
Date: 25. 05. 2015



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF BANARAS BEADS LIMITED. ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. The discrepancy noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
- (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with respect to the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- The Company has not accepted any deposits from the public.
- As explained to us by the management maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act are not applicable to the company.
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.
(b) Accounting to the information and explanation given to us, following amount of dues of tax and cess which have not been deposited on account of disputes:-

Service Tax	Appeal Pending at Commissioner Appeal	7.34 Lakhs
-------------	---------------------------------------	------------
- (c) According to the information and explanations given to us no amounts was required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under during the year.
- The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has taken only working capital loans from banks and has not defaulted in repayment of dues to the bank. The company does not have any borrowing from financial institution and has not issued debentures.
- According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
- Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Kamal Kishore & Co.
Chartered Accountants
(Firm No 007424C)

Sd/-

Place: VARANASI
Date : 25.05.2015

(Kamal Kishore Srivastava)
Partner, M. No. 71639



BANARAS BEADS LIMITED
AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA

35th
ANNUAL REPORT
2014-15



BANARAS BEADS LTD.



Balance Sheet as at 31st March, 2015

Particulars	Note No	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	1	66134720	66134720
(b) Reserves and Surplus	2	332452996	324953765
(2) Current Liabilities			
(a) Short-term borrowings	3	149443400	4380649
(b) Trade payables	4	2707482	5431030
(c) Other current liabilities	5	19685322	25476131
(d) Short-term provisions	6	16212783	22475566
Total		586636703	448851861
<u>II. ASSETS</u>			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		141300047	140867254
(ii) Intangible assets		41337	97255
(iii) Capital work-in-progress		-	1432426
(iv) Intangible assets under development			
(b) Non-current investments	8	21396499	1116499
(c) Deferred tax assets (net)	9	2867090	4602464
(d) Long term loans and advances	10	16215038	16215038
(2) Current assets			
(a) Current investments	11	40526713	-
(b) Inventories	12	129693227	102290898
(c) Trade receivables	13	5529295	6599685
(d) Cash and cash equivalents	14	169866295	104523433
(e) Short-term loans and advances	15	57190725	69428672
(f) Other current assets	16	2010437	1678237
Total		586636703	448851861

Accounting policies & Notes on Accounts
In terms of our report of even dated attached

For and on behalf of the Board of Directors

Sd/-

Sd/-

For Kamal Kishore & Co.
Chartered Accountants
Sd/-

(K.K. Srivastava)

Partner
Place : VARANASI

Date : 25.05.2015

(Ashok Kumar Gupta)

Chairman & Director

Sd/-

(Siddharth Gupta)
CEO & Managing
Director

(Ashok Kumar Kapoor)

Independent Director

Sd/-

(R.K. Singh)
Company Secretary

Sd/-

(Jai Singh)
Chief Finance Officer



BANARAS BEADS LTD.

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
Revenue from operations	17	235693476	265714948
Other Income	18	11912227	12171978
Total Revenue		247605703	277886926
Expenses:			
Cost of materials consumed	19	125921719	103336105
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-32909268	21130024
Manufacturing Exp	21	42366451	28859985
Employee benefit expense	22	31402563	31086117
Financial costs	23	1022282	9439906
Depreciation and amortization expense	7	23523124	14620392
Other expenses	24	29975235	34443871
Total Expenses		221302178	242916400
Profit before exceptional and extraordinary items and tax		26303525	34970526
Extraordinary Items (Prior Period Expences)		-	-
Profit before extraordinary items and tax		26303525	34970526
Profit before tax		26303525	34970526
Tax expense:			
Current tax		8500000	7050000
Deferred tax		1735374	2079691
Profit for the year		16068151	25840835
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		2.42	3.89

Accounting policies & Notes on Accounts
In terms of our report of even dated attached

For Kamal Kishore & Co.

Chartered Accountants

Sd/-

(K.K. Srivastava)

Partner

Place : VARANASI.

Date : 25.05.2015

For and on behalf of the Board of Directors

Sd/-

(Ashok Kumar Gupta)

Chairman & Director

Sd/-

(Siddharth Gupta)

CEO & Managing Director

Sd/-
(Jai Singh)
Chief Finance Officer

Sd/-

(Ashok Kumar Kapoor)

Independent Director

Sd/-

(R. K. Singh)

Company Secretary



Cash Flow Statement For the Year Ended 31st March, 2015

	Amount in Rs. Current Year	Amount in Rs. Previous Year
<u>(A) Cash Flow from Operating Activities</u>		
Net Profit Before Tax and Extraordinary Items	26303525	34970526
Adjustment For :-		
Depreciation	23523124	14620392
Profit/Loss on Sale of Fixed Assets	(143992)	(7895)
Profit/(Loss) on Sale of Investment	-	(7573)
Interest/Dividend/ Rent	(10723531)	(11679156)
Other Non Cash Income/Exp.	12655601	2925768
	38959127	37896294
Adjustment For :-		
Trade & Other receivables	14536096	6489404
Inventories	(27402329)	30847148
Trade Payable	(8514357)	5875734
Cash Generated From Operations	17578537	81108580
Interest Paid	1022282	2036315
Direct Taxes	(8609959)	(7612432)
	(7587677)	(5576117)
Cash Flow Before Extraordinary Items	9990860	75532463
Extraordinary Items		-
Net Cash From Operating Activities (A)	9990860	75532463
<u>(B) Cash Flow From Investing Activities :</u>		
Purchase of Fixed Assets	(23655718)	(29324828)
Sale of Fixed Assets	385000	16200
Purchase of Investments	(179165181)	(16343564)
Sale of Investments	118358468	16430523
Interest Received	8644292	11059920
Rent Received	894058	571001
Dividend Received	1185181	48236
Net Cash used in investing activities (B)	(73353900)	(17542512)
<u>(C) Cash Flow From Financing Activities :</u>		
Amount Received against Calls in Arrear	91000	-
Proceeds from Short term borrowings	145062751	(43686675)
Dividend & Interest Paid	(16447848)	(2036315)
Net Cash used in financing activities	128705903	(45722990)
TOTAL (A+B+C)	65342862	12266960
Net Increase/Decrease in Cash & cash Equivalents	65342862	12266960
Cash & cash Equivalents As at 01.04.2014	104523433	92256473
Cash & cash Equivalents As at 31.03.2015	169866295	104523433

As per our report of even date
For Kamal Kishore & Co
Chartered Accountants

Sd/-

(K.K. Srivastava)
Partner

Sd/-

(Ashok Kumar Gupta)
Chairman & Director

Sd/-

(Siddharth Gupta)
CEO & Managing Director

Sd/-

(Ashok Kumar Kapoor)
Independent Director

Sd/-

(R.K. Singh)
Company Secretary

Place : VARANASI.

Sd/-

Date : 25.05.2015

(Jai Singh)
Chief Finance Officer

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

The accounts have been prepared on the basis of historical cost convention and as a going concern. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting policies. The company generally follows the mercantile system of accounting recognizing both income and expenditure on accrual basis.

2. FIXED ASSETS:-

Fixed Assets are stated at cost of acquisition less depreciation.

3. DEPRECIATION:-

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on single shift basis.

4. INVESTMENTS:

Long Term Investments are shown at cost and fluctuations in the market price of quoted shares are not provided for. Current Investments are valued at lower of cost or realizable value and any reduction in realizable value is debited to the Statement of Profit & Loss. If realizable value of current investment increases in subsequent years the increase in value of current investment to the level of the cost is credited to the Statement of Profit & Loss.

5. INVENTORIES:

Basis of valuation

Raw Materials	: At average cost
Finished / Semi-finished goods	: At cost or market value whichever is lower
Stores, spare parts	: At cost and in appropriate cases charged to manufacturing expenses in the year of purchase.

6. FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currency are accounted for in accordance with AS-11 issued by the Institute of Chartered Accountants of India. Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of the transactions. Monetary items denominated in a foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the year end and the difference arising on account of variation in exchange rate is recognized as income or expense in the year in which they arise. Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

7. RETIREMENT BENEFITS:

- (i) Company's contribution to Provident Fund, Family Pension Fund, ESI etc. are charged to Profit & Loss Account on accrual basis.
- (ii) Liability for gratuity in respect of employees is covered under the Group Gratuity Policy taken by the company from Life Insurance Corporation of India. The premium payable under the Policy, are charged to Profit & Loss Account. The short fall in the Fund, as indicated by the L.I.C. is provided for by the Company as gratuity liability.
- (iii) The leave salary payable in respect of encashable leave is provided for according to the service rule of the Company. Unavailed leave, which is not encashable during the continuance of service is not provided for.

8. ACCOUNTING FOR DUTY CREDIT SCRIPT UNDER FOCUS PRODUCT/VISHESH KRISHI UDYOG YOJNA AND STATUS HOLDER INCENTIVE SCRIPT :

Duty Credit Script under Focus Product/VKUY and Status Holder Incentive Script Schemes are normally consumed in payments of custom duty against imports made. Entries for such consumption is made in respective purchase account on the amount of custom duty adjusted. Entries for scripts transferred are accounted for on realised value. Duty Credit Script under Focus Product and Status Holder Incentive Script Scheme receivable at the end of accounting year is accounted on estimated realizable value.

9. CONTINGENT LIABILITIES:

Contingent Liabilities are generally not provided for in the Accounts and are shown by way of Notes on Accounts.

10. SALES:

Sales include export sales whether made directly or through third parties.

11. The accounting policies have been consistently followed and there has been no significant change in such policies during the year except for changes made for statutory compliance.



NOTES TO ACCOUNTS	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>1. SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL</u>		
Authorised		
1,20,00,000 Equity Share of Rs. 10/- Each	120000000	120000000
<u>ISSUED SUBSCRIBED & FULLY PAID UP SHARE CAPITAL</u>		
6636222 Equity Shares of Rs. 10/- Each Fully paid -up	66362220	66362220
Less: Unpaid Calls	227500	227500
Total	66134720	66134720
<u>LIST OF SHAREHOLDERS</u>		
Shareholders holding more than 5% shares	No. of Shares (%)	No. of Shares (%)
Ashok Kumar Gupta	1363402 (20.54)	1363402 (20.54)
Ashok Kumar Gupta (HUF)	544920 (8.21)	544920 (8.21)
Rekha Gupta	739830 (11.15)	739830 (11.15)
Ram Gulam Kanhaiya Lal Charitable Trust	1072000 (16.15)	1072000 (16.15)
Prashant Gupta/Ashok Kumar Gupta(Joint Holders)	472540 (7.12)	472540 (7.12)
Vaishali Gupta	350110 (5.28)	350110 (5.28)
<u>2. RESERVE AND SURPLUS</u>		
<u>A. GENERAL RESERVE</u>		
Opening Balance.	13350000	9750000
Transferred During the Year	1000000	3600000
Sub Total	14350000	13350000
<u>B. Securities Premium Reserve</u>	224765500	224765500
Less : Unpaid Calls	1760750	1851750
Sub Total	223004750	222913750
<u>C. SURPLUS OF PROFIT & LOSS</u>		
Balance as per Last Account	88690015	81825090
Net Profit After Tax	16068151	25840835
Less: Transferred to General reserve	1000000	3600000
Proposed Dividend (@ Rs.1.00 per share) (Previous year @Rs.2.00 per share)	6636222	13272444
Tax on Dividend	1076561	2153122
Taxes of Earlier Years	-	(49656)
Less Adjustment Relating to Fixed Assets	947137	-
Sub Total	95098246	88690015
Total	332452996	324953765



3.SHORT TERM BORROWINGS

Secured Loans from Bank

a)Yes Bank Packing Credit Foreign Currency Loan

31157200 -

(Secured against Fixed Deposits in the Bank)

b)Bank of Baroda Packing Credit Foreign Currency Loan

- 982977

(Secured against hypothecation of Stock, Book Debts & Plant and Machineries & Fixed Deposits)

Yes Bank Over Draft a/c

(Secured against Fixed Deposits in the Bank)

118286200 -

Bank of Baroda Over Draft a/c

(Secured against Fixed Deposits of the Bank)

- 3397672

Total

149443400 4380649

4. TRADE PAYABLE

Trade Payable

2707482 5431030

Total

2707482 5431030

5. OTHER CURRENT LIABILITIES

Customer Deposits

12815525 19720548

Other Liabilities

4341322 3931295

Unclaimed Dividend

2528475 1824288

Total

19685322 25476131

6 SHORT TERM PROVISIONS

Provisions for Income Tax

8500000 7050000

Provision for Proposed Dividend

6636222 13272444

Provision for Tax on Proposed Dividend

1076561 2153122

Total

16212783 22475566

SCHEDULE OF FIXED ASSETS AS ON 31.3.2015

7. FIXED ASSETS AND DEPRECIATION

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OP. BALANCE AS ON 01.04.2014	ADDITION	DEDUCTIO N	TOTAL	UPTO 31.03.2014	ADJUSTME NT IN RESERVE (refer note no 33)	DURING THE YEAR	DEDUTION DURING THE YEAR	TOTAL	AS ON 31.03.2015	AS ON 31.03.2014
TANGIBLE ASSETS											
LAND	3501276	0		3501276			0		0	3501276	3501276
FACTORY BUILDING	115761281	3419782		119181063	34003600	0	7767868		41771468	77409595	81757681
FURNITURE AND FIXTURES	11235613	53225		11288838	7553363	0	1370512		8923875	2364963	3682250
PLANT AND MACHINERY	57914854	14289069		72203923	23430063	13662	8022471		31466196	40737727	34484791
ELECTRICAL EQUIPMENTS	14279053	549670		14828723	5987562	844475	2301999		9134036	5694687	8291491
OFFICE EQUIPMENTS	847640			847640	741302	0	42996		784298	63342	106338
VEHICLES	21156772	2560261	1152357	22564676	12773601	2642	3718432	911349	15583326	6981350	8383171
COMPUTER	5108034	47700		5155734	4491335	27431	279446		4798212	357522	616699
FURNACES	1708349			1708349	1673863		0		1673863	34486	34486
MOBILE PHONE	17750	76709		94459	8679	3009	17371		29059	65400	9071
EFFLEUNT TREATMENT DISPOSAL SYSTEM	0	4091728		4091728	0	0	2029		2029	4089699	0
Sub Total	231530622	25088144	1152357	255466409	90663368	891219	23523124	911349	114166362	141300047	140867254
INTANGIBLE ASSETS											
SOFTWARE	826747			826747	729492	55918	0		785410	41337	97255
Sub Total	826747	0	0	826747	729492	55918	0	0	785410	41337	97255
CAPITAL WORK IN PROGRESS											
W-I-P	1432426	3416217	4848643	0		0	0		0	0	1432426
Sub Total	1432426	3416217	4848643	0	0	0	0	0	0	0	1432426
TOTAL	233789795	28504361	6001000	256293156	91392860	947137	23523124	911349	114951772	141341384	142396935
PREVIOUS YEAR	204494702	58583135	29288043	233789794	76793897	0	14620392	21430	91392859	142396935	127700804



8. NON-CURRENT INVESTMENTS

	No. of shares	Face Value	CURRENT YEAR	PREVIOUS YEAR
<u>In Equity Shares - UnQuoted</u>				
<u>A.INVESTMENT IN ASSOCIATES</u>				
BBL Beads Ltd-Share	87500	10.00	875000	875000
Banaras Bead Business Pvt Ltd.	33800	100.00	20280000	0
<u>B.INVESTMENT IN OTHERS</u>				
India Exposition Mart Ltd.	9343	10.00	93430	93430
<u>(I) In Equity Shares - Quoted</u>				
Pertech Computers Ltd.	600	10.00	36000	36000
Elbee Services Ltd.	100	10.00	14000	14000
Kabson Industries Ltd.	1300	10.00	13000	13000
Bholanath International Ltd.	300	10.00	6020	6020
Ideal Carpets Ltd.	300	10.00	2252	2252
M.P.Telelink Ltd.	500	10.00	5000	5000
Rungta Irrigation Ltd.	600	10.00	36797	36797
GKB Ophthalmic Ltd.	1000	10.00	35000	35000
Total			21396499	1116499

Aggregate Cost of Quoted Investment-

(Rs 148069, Previous Year Rs 148069)

(Market value Rs 150092 Previous Year Rs 111802)

Aggregate Cost of Un-Quoted Investment-

(Rs 21248430, Previous Year Rs 968430)



NOTES TO ACCOUNTS	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>9. DEFERRED TAX ASSETS</u>		
Related to Fixed Assets	2867090	4602464
Deferred Tax Assets	2867090	4602464
<u>10 LONG TERM LOANS & ADVANCES</u>		
Advance against Purchase of Land	16215038	16215038
Other Advance (Unsecured, Considered Good by the Management)		
Total	16215038	16215038
<u>CURRENT ASSETS</u>		
<u>11 Current Investment</u>		
<u>(I) In Units of Mutual Fund</u>		
<u>Quoted</u>		
Baroda Pioneer Treasury Advantage Fund	7786362	-
Prudential ICICI Saving Plan (Aggregate amount of quoted Investment Rs 405.27 Lakhs , Previous Year Nil)	32740351	-
	40526713	-
<u>12. INVENTORIES</u>		
(As Taken , Valued as per policy stated in point 5 of Accounting policies and Certified by the Management,)		
Raw Material	34658979	38619912
Finished Goods	82363998	52082313
Export Merchandise in Transit	4515020	1887437
Packing Material	6347796	4968978
Stores & Spares	1807434	2155119
Goods in Transit	-	2577139
Total	129693227	102290898
<u>13. TRADE RECEIVABLES</u>		
Unsecured, Considered Good by the Management		
Outstanding over Six Months	2200485	1725994
Other Debts	3328810	4873691
Total	5529295	6599685
<u>14. CASH & CASH EQUIVALENTS</u>		
<u>WITH SCHEDULED BANKS</u>		
In Current Accounts	5174705	1407531
In Fixed Deposit Account	161588026	100870675



Earmarked Balance With Bank (For Unpaid Dividend)	2528475	1824288
Cash in Hand (As certified by the management)	566889	401407
Postage Imprest	8200	19532

Total	169866295	104523433
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15.SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good by the Management
(Recoverable in Cash or in Kind or value to be received)

Advance to Suppliers & Other	6216635	10415695
Advance Payment for Taxes	19805604	19936227
Export Incentive Receivables	10709843	20432853
Loan to Others	20458643	18643897

Total	57190725	69428672
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16.OTHER CURRENT ASSETS

Security And Other Deposit	1038767	1030767
Prepaid Expenses	971670	647470

Total	2010437	1678237
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17.REVENUE FROM OPERATIONS

SALES OF PRODUCTS

Export Sales	169360890	204044058
Domestic Sales	47974321	50006038
Sub Total	217335211	254050096

OTHER OPERATING REVENUE

Focus /VKUY License Transfer	7860971	874269
Export Incentive & Other Benefits	2861417	10790583
Exchange Rate Difference/Forward Contract Income	7635877	0

Sub Total	18358265	11664852
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Total	235693476	265714948
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18. OTHER INCOME

Interest Income	8644292	11059920
Dividend	1185181	48236
Net Gain on Sale of Investment	-	7573
Profit on sale of fixed Assets	143992	7895
Rent	894058	571001
Sundry balance W/Back	136525	24539
Interest on Refund of Income Tax	135000	-
Misc.Other Income	773179	452814

Total	11912227	12171978
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19.COST OF MATERIAL CONSUMED

OPENING STOCK

Raw Material	38619912	52011763
Stores & Consumables	2155119	2149945
Packing Material	4968978	3876563
Sub Total	45744008	58038271

PURCHASES

Raw Material	18418076	22924964
Semi Finished Goods	96508919	57015097
Packing Material	6212213	8280981
Stores & Consumables	1852783	2820800
Sub Total	122991991	91041842

CLOSING STOCK

Raw Material	34658979	38619912
Stores & Consumables	1807434	2155119
Packing Materials	6347796	4968978
Sub Total	42814208	45744008

Cost of Material Consumed	125920591	103336105
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20.Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

OPENING STOCK

Finished / Semi Finished Goods	52082313	72786005
Export Merchandise in Transit	1887437	2313770
Sub Total	53969751	75099774

CLOSING STOCK

Finished / Semi Finished Goods	82363998	52082313
Export Merchandise in Transit	4515020	1887437
Sub Total	86879019	53969751

(Increase)/Decrease	-32909268	21130024
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21.MANUFACTURING EXPENSES

Bead & Handicraft Manufacturing & Finishing Expenses	33632901	18285675
Power & Fuel	6191254	6976484
Freight Exp	2542295	3597826
Sub Total	42366451	28859985



22.EMPLOYEE BENEFIT EXPENSE

Salaries & Wages	24432144	24685678
Bonus to Employees	1884193	1780082
Providend & ESI Fund	3296462	3112678
EDLI, Training and Gratuity	1267647	976525
Staff Welfare Expenses	522117	531154
Total	31402563	31086117

23. FINANCIAL COST

Interest paid to bank	1022282	2036315
Loss on Forward Contract	-	5006615
Exchange Rate Difference on Foreign Currency Loan	-	2396976
Total	1022282	9439906

24.OTHER EXPENSES

EXPORT & SELLING EXPENSES

Foreign Traveling Expenses	8059432	8369003
Export / Local Freight & Shipping Expenses	6346220	7774890
Trade Fair exp	2936822	3695501
Local Traveling Expenses	675826	1025614
Other Selling Expenses	589068	950639
Exchange Rate Difference	-	1722923
Sub Total	18607367	23538568

REPAIR & MAINTENANCE

Building	479725	388528
Machinery	2043992	1979664
Vehicle & Others	1312182	475840
Sub Total	3835899	2844033

ADMINISTARTIVE EXPENSES

Rent	0	2600
Insurance	885014	612199
License & Fees	383285	100738
Membership & Subscription	52549	31154
Communication Charges	530969	568352
Conveyance Charges	35478	42593
Printing & Stationery	554799	773868
Professional & Legal Expenses	1562123	1634277
Vehicle Running & Maintenance	1034202	1083523
Bank Charges	868956	929977
Director Sitting Fees	42000	39000
Postage exp	78386	169240



Others	1303643	1900435
Payment to Auditor		
As Auditor	84270	84270
For Tax/VAT Audit Fees	30899	22472
For Income Tax Related Services Fees	33711	22473
For Certification / Quarterly Review Fees	51685	44100
Sub Total	7531969	8061271
Total	29975235	34443871

25. RAW MATERIALS CONSUMED

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>Amount in Rs.</u>	<u>Amount in Rs.</u>
Glass & Raw Beads	22379009	36316815
Misc Raw Handicraft , Fabric & Other Materials	96508919	57015097
Store	2200468	2815626
Packing	4832195	7188566
Total	125920591	103336105

COMPOSITION OF MATERIAL CONSUMED

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>%</u>	<u>%</u>
	<u>VALUE Amount in Rs.</u>	<u>VALUE Amount in Rs.</u>
Indigenous	74.05%	76.55%
Imported	25.95%	23.45%
	100.00	100.00
	125920591	103336105

26. Contingent Liabilities not provided for:

- (i) Letter of credit opened with Banks : Rs. NIL (Previous year: Rs. NIL)
- (ii) Bank Guarantees outstanding : Rs. NIL (Previous Year-Rs. NIL)
- (iii) For Managing Director Remuneration : Rs. 26.88 Lakhs

(The company has not paid any remuneration to Sri Ashok Kumar Gupta, Chairman and managing director for want of approval of Ministry of Corporate Affairs and if the approval is granted from the date of re appointment, then the company will have to pay remuneration of Rs 24.00 Lakhs and provident fund contribution amounting to 2.88 Lakhs)

- (iv) Contingent Liabilities of Taxes and Duties : The company is having following contingent liability

Nature of Liability	Amount in Lakhs	Remarks
Service Tax	7.63	Appeal is pending with Commissioner Appeals, Allahabad against order made by Assistant commissioner, Varanasi. No provision has been made against this demand. The management has been advised that it has strong case and the demand is likely to be set aside in appeal.
Service Tax	0.99	The Department of Service Tax have filed an appeal with the Commissioner Appeals against the Review order made by the Commissioner, Allahabad. No demand has yet been raised on the company.

27. Related Party Disclosures:

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is made. All the transactions have been made at Arm's Length Basis.

Details of Transactions:

Sl. No.	Name	Nature of Relation	Nature of Transaction	Value of Transaction entered during the year	Amount of Outstanding Items as on Balance Sheet
1	Directors (Executive)				
	Ashok Kumar Gupta	Directors (Executive)	Remuneration including P.F.	0*	0*
	Siddharth Gupta	Directors (Executive)	Remuneration including P.F.	1666560	0
	Shalini Chandra	Directors (Executive)	Remuneration including P.F.	56000	0
2	Independent Directors				
	Ashok Kumar Kapoor	Independent Directors	Sitting Fee	17000	0
	Praveen Singh	Independent Directors	Sitting Fee	13000	0
	Tanmay Deva	Independent Directors	Sitting Fee	12000	0
3	Banaras Beads Export Limited	One common director	Sale	11199800	0
			Purchase	13835245	0
4	Banaras Glass Beads Limited	One common director	Purchase	18552053	0
			Sales	2001670	
5	Mathur Vaishya Jan Kalyan trust	One Director is trustee	Expenses	38357	0
6	BBL Beads Limited	Two common directors		0	0
7	Mangalam Hospitality India Limited	Two common directors		0	0
8	R.K. Impex Pvt Limited	One common director		0	0
9	Banaras Bead Business Pvt Ltd	One common director	Investment in Equity Share	20280000	20280000
10	Nandi Export Pvt. Ltd	One common director		0	0

* Refer note number 26 also.

28. Earning per share:

Basic and diluted earnings per share are calculated by diverting the net profit for the year attributable to equity shareholders by the weighted average number by equity shares. The Company does not have any outstanding diluted potential equity shares. Consequently the basic and diluted earnings per share remain the same.

	2014-2015	2013-2014
Net Profit attributable to shareholders (Rs.) :	16068151	25840835
Weighted average numbers of equity shares :	6636222	6636222
Basic earning per share of Rs. 10/- each (Rs.) :	2.42	3.89

29. Remuneration to Directors:

	Current Year (Rs.)	Previous Year (Rs.)
A. Chairman & Director (Ashok Kumar Gupta)		
Salaries	0*	1500000
Contribution to Provident Fund	0*	180000
B CEO & Managing Director (Siddharth Gupta)		
Salaries	1488000	1200000
Contribution to Provident Fund	178560	144000
C. Executive Director (Shalini Chandra appointed w.e.f. 01.03.2015)		
Salaries	50000	0
Contribution to Provident Fund	6000	0



* Refer note number 26 also.

30. The company had participated in auction as made by Hariyan Urban Development Authority (HUDA) on 07.11.2007 and was allotted hotel site at Gurgaon in Sector 10A under auction of Rs. 16.05 Crores. The company has paid total Rs. 13.49 Crores against the said allotment. But after repeated request, HUDA did not issue possession certificate, resultantly the company is having no option and decided to take refund of total amount paid to HUDA of Rs.13.49 Crore with interest without any deduction. But HUDA refunded only Rs. 11.88 Crores on 30.05.2012 by deducting 10%. Of amount paid The Company has filed writ petition vide no 9181 of 2014 against HUDA and others for illegal deduction of 10 % and nonpayment of interest. The matter is still pending. The management has been advised that it has strong case and the amount deducted is likely to be paid by HUDA, hence no provision for this doubtful receivables has been made in the accounts. Accounting for Interest Claimed will be made as and when the matter is finalised.

31. Details of pending liability of Income Tax and Service Tax:

As on date there is no liability against assessment made by the Income Tax authorities. For service Tax please refer to point no 26.

32. SETTLEMENT OF MANAGEMENT DISPUTES:

As already reported that the decade old disputes between the two Groups of Shareholders namely Raj Kumar Gupta Group and Ashok Kumar Gupta Group stands resolved by order dated 04.07.2007 read with order dated 03.08.2007 passed by the Hon'ble Company Law Board in C.P. No. 14/99. The directions given by the CLB vide the aforesaid two orders were implemented and communicated to the Shareholders as part of Annual Report forming part of published Accounts for the F.Y.2006-2007 and onwards. However in this regard the Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others is still pending before Hon'ble Supreme Court for appropriate order. The Management does not reasonably expect that the Special Leave Petition, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

33. NOTING RELATED TO DEPRECIATION

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives and residual value as specified in Schedule II. Accordingly the unamortised carrying value less residual value is being depreciated / amortised over the revised remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs.9.47 Lakhs.

C. MISCELLANEOUS NOTES ON ACCOUNTS:

1. SEGMENT:

- The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Necklaces, Imitation Jewellery etc. all those items form just one Segment. The sell of minor items such as carpets is less then 10% of total sales. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not required.
2. There are no small scale industrial undertakings to whom the Company owes a sum exceeding Rs. one lac which is outstanding for more than 30 days during the year.
 3. The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Accounting Standards-2 pertaining to valuation of inventories issued by the Ministry of Corporate Affairs.
 4. There is an adequate internal control procedure and internal audit system commensurate with the size of the company and the nature of its business. The Directors have been making consistent efforts to improve such procedures and systems keeping in view the needs of business and experience gained.
 5. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
 6. In the opinion of the Directors, Currents Assets, and Loans and Advances are approximately of the value, which, if realised, in the ordinary course of business, will not be less than the figure stated in the books of accounts.
 7. The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities.
 8. The Calls in arrears of Share Capital amounting to Rs.227500 and of Share Premium amounting to Rs. 1760750/- are outstanding since long. None of these amounts relate to the directors or their relatives. The Management has decided not to forfeit such shares for the time being.
 9. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.



ICRA SME Rating

Banaras Beads Limited, Varanasi

has been assigned an ICRA SME rating of

ICRA SME 2

on March 27, 2014

This rating indicates "The High Credit Quality"

this rating is valid till March 26, 2015

Gurgaon
April 22, 2014



Vivek Mathur
Senior Group Vice President



BANARAS BEADS LIMITED
REGISTERED OFFICE: A-1, INDUSTRIAL ESTATE
VARANASI - 221 106

ATTENDANCE SLIP

Please complete the Attendance Slip and hand over at the entrance of the meeting hall, joint Shareholders may obtain additional Attendance Slip on request.

Full Name and Address of the Member (in Block letters).....
.....

No. of shares held :..... Folio No.:..... *DP ID No..... *Client ID No.....
*applicable for Member holding shares in electronic form.

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held on Thursday 13th August ' 2015 at 3:00 P.M. at A-1, Industrial Estate, Varanasi-221106

Signature of : Member ----- / Proxy.....

Notes : Member/Proxy attending the meeting must bring the attendance slip and submit it at the entrance duly signed.

----- (TEAR HERE) -----

BANARAS BEADS LIMITED
REGISTERED OFFICE : A-1, INDUSTRIAL ESTATE
VARANASI - 221 106

PROXY FORM

Folio No *DP ID No..... *Client ID No.....(*applicable for Member holding shares in electronic form.)

I/We.....of
.....in the district
of.....hereby appoint.of
.....or failing him / her
.....of in the district of
.....as my/our proxy to attend and vote for me/us on my/our behalf
at the 35th Annual General Meeting of the Company to be held on Thursday 13th August ' 2015 at 3:00 P.M. at A-1 Industrial Estate Varanasi and
at any adjournment thereof.

Signed this.....day of.....2015.

Signature -----

Affix One
Rupee
Revenue
Stamp

Note : The Proxy must be returned so as to reach the Registered Office of the Company at A-1, Industrial Estate, Varanasi-221106, not less than Forty Eight hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.



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Corporate & Head Office in Varanasi



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From Time to Time Company will participate Jewelry Fairs in various parts of worlds.

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