

**2017-18**



# **BANARAS BEADS LIMITED**

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA  
AN ISO CERTIFIED COMPANY

## **38th** Annual Report





## **BOARD OF DIRECTORS**

Ashok Kumar Gupta	: Chairman & Managing 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**

## **KEY MANAGERIAL PERSONNEL**

Ashok Kumar Gupta	: Chairman & Managing Director
Siddharth Gupta	: CEO & Managing Director
Shalini Chandra	: Executive Director
R.K. Singh	: Company Secretary
Jai Singh	: Chief Finance Officer

## **REGISTERED OFFICE**

A-1, & A-5, Industrial Estate  
Varanasi -221 106 U.P.  
Tel.# : 0542-2370161 - 2370164  
Fax.# : 0542-2370165 / 2370214  
E-mail [info@banarasbead.com](mailto:info@banarasbead.com)  
Website: [www.banarasbead.com](http://www.banarasbead.com)

## **E-MAIL & WEBSITE FOR INVESTOR**

E-mail : [investor@bblinvestor.com](mailto:investor@bblinvestor.com)  
Website : [www.bblinvestor.com](http://www.bblinvestor.com)

## **CORPORATE IDENTITY NUMBER (CIN)**

L01131UP1980PLC004984

## **AUDITORS**

G D Dubey & Associates  
Chartered Accountants,  
Firm No. 009836C  
Varanasi

## **E-VOTING SCRUTINIZER**

Ajay Kumar Jaiswal  
Practicing Company Secretary  
N-10/58-J-32, Lane No.4,  
Sriram Nagar Colony  
Near Manduadih Rly Station  
Varanasi-221010 UP

## **UNITS**

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

## **BANKERS**

Yes Bank Ltd.  
Bank of Baroda  
Axis 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](mailto:info@masserv.com)  
website : [www.masserv.com](http://www.masserv.com)

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## NOTICE

**NOTICE** is hereby given that 38<sup>th</sup> 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 16<sup>th</sup> August, 2018 at 3.00 P.M. to transact the following business:

### ORDINARY BUSINESS:

#### **Item No. 1 - Adoption of Financial Statement**

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2018 including the audited Balance Sheet as at March 31, 2018 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 – Re-appointment of Director**

To appoint a director in place of Shri Ashok Kumar Gupta (DIN: 00016661), who retires by rotation and being eligible, offers himself for re-appointment as director.

#### **Item No. 3 – Ratification of Re- 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** the pursuant to the provision of section 139 and all other applicable provisions, if any, of Companies Act 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C), as Auditors of the Company to hold office from the conclusion of this Annual General meeting to till the conclusion of the 42<sup>th</sup> Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS:

#### **Item No. 4. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA (DIN 00016661) AS MANAGING DIRECTOR:**

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

**RESOLVED THAT** pursuant to the provisions of Sections 2(54),2(78), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Mr. Ashok Kumar Gupta (DIN 00016661) be and is hereby re-appointed as the Managing Director of the Company for a further period of five years, w.e.f. 1<sup>st</sup> April' 2019 on the terms and conditions contained in the agreement and on the remuneration set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

**“RESOLVED FURTHER THAT** Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

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

Place : VARANASI  
Date : 31. 05. 2018

(R.K.SINGH)  
Company Secretary

### **NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 of the Notice, is annexed hereto alongwith the relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”).
2. **A 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.
3. **The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 10<sup>th</sup> August, 2018 to Thursday 16<sup>th</sup> August, 2018 (both days inclusive).**
4. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
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 slips and proxy form for attending the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
7. 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.

**8. MANDATORY DEMAT TRANSFER OF SHARES -**

Pursuant to Listing Regulations namely SEBI (LODR) FOURTH AMENDMENT, REGULATIONS 2018, **TRANSFER** of securities shall not be processed unless securities are held in dematerialized form with a depository.

In other words, request for transfer of shares held in physical form will not be processed after 04.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred. The INE number of the company is INE655B01011.

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](mailto:info@masserv.com), website: [www.masserv.com](http://www.masserv.com).

**9. 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 for other purposes.**

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.bblinvestor.com](http://www.bblinvestor.com) or RTA website [www.masservs.com](http://www.masservs.com). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Mas Services Limited ("RTA") in case the shares are held by them in physical form.

11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with **Mas Services Ltd.** in case the shares are held by them in physical form.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, **Mas Services Ltd.** in case the shares are held by them in physical form.

13. If members not update their active **bank details** including New Bank account and other detail to their **Depository Participant then their dividend amount cannot be sent to their bank account through NECS directly and as per SEBI circular no. CIR/MRD/DP/10/2013 dt. 21.03.2013, if NECS failed then physical payment instrument to be issued to the investor and on the face of the same bank account detail to be mentioned (Including de-activated/closed bank account if any). To avoid such un-necessary problem and get dividend timely, shareholder must update your bank account with depository.**

14. 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](mailto:investor@bblinvestor.com) OR [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com).**

15. 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, 2013-14, 2014-15, 2015-16 and for F.Y. 2016-17 (upto last AGM) at company's website and Ministry of Corporate Affairs website.

**16. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Members are requested to note that, pursuant to section 124 and other applicable provisions of the Company Act, 2013, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members who have not yet encashed their dividend warrant(s) pertaining to the Interim and final dividend for the financial year 2011-12 onwards for the Company, is requested to lodge their claims with **company immediately or RTA of the company alongwith self-attested copy of PAN and cancel Cheque.** It may be noted that the unclaimed dividend to be transferred to IEPF as under-

Interim Dividend for the financial year 2011-12 declared by the Company on September 24, 2011 **can be claimed by October 10, 2018.**

Final Dividend for the financial year 2011-12 declared by the Company on August 10, 2012 **can be claimed by October 30, 2019.**

Dividend for the financial year 2012-13 declared by the Company on February 20, 2013 **can be claimed by March 2, 2020.**

**Similarly further years dividend will be transferred to IEPF account after completing seven years accordingly.**

Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. [www.bblinvestor.com](http://www.bblinvestor.com)

**17. E-VOTING:**

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

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

Commencement of e-voting

August 13, 2018 at 09.00 a.m. IST

Cut of date for remote e-voting

End of e-voting

August 15, 2018 at 5.00 p.m. IST

09/08/2018





**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](http://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 13, 2018 (09:00 am)** till **August 15, 2018 (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](mailto:workroc@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto: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 9<sup>th</sup> August, 2018 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. 9<sup>th</sup> August, 2018, can obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, [info@masserv.com](mailto: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](http://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](http://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](http://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 e-voting system of NSDL.
- o The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.banarasbead.com](http://www.banarasbead.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 38<sup>th</sup> AGM of the Company on August 16, 2018 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  
For BANARAS BEADS LIMITED,

Place : VARANASI  
Date : 31.05.2018

(R.K.SINGH)  
Company Secretary



**Additional information of directors recommended for appointment/re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.**

<b>Name</b>	: <b>Shri Ashok Kumar Gupta</b>
<b>Fathers name</b>	: Late Kanhiya Lal Gupta
<b>Date of Birth</b>	: 07.07.1948
<b>Nationality</b>	: Indian
<b>Qualifications</b>	: Graduate
<b>Date of appointment on the board</b>	: <b>Appointed as Managing Director in the company on 01.04.2014 under the Companies Act 2013 for the period 01.04.2014 to 31.03.2019.</b>
<b>Permanent Account No.</b>	: AACPG7281R
<b>Director Identification No.</b>	: 00016661
<b>List of directorship held in other Company(s)</b>	: i) M/s BBL Beads Ltd. ii) M/s Mangalam Hospitality India Limited iii) M/s Banaras Beads Business Pvt. Ltd.
<b>Number of shares held in the company</b>	: 863402
<b>Chairperson of Board committees</b>	: Share Transfer Committee
<b>Disclosure of relationships between directors</b>	: Mr. Siddharth Gupta, CEO & Managing Director is son of Shri Ashok Kumar Gupta.

**EXPERIENCE:**

Shri Ashok Kumar Gupta Science Graduate from Banaras Hindu University, Varanasi and Diploma in Business Management.

**EXPLANATORY STATEMENT:**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 4. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA AS MANAGING DIRECTOR:**

The tenure of Mr. Ashok Kumar Gupta as Managing Director will be expired on 31.03.2019. He will attain the age of 70 years in July, 2018 and he may further be re-appointed as Managing Director under provision of 196 of Companies Act, 2013 by Members through **Special Resolution** and as per provision 196 (2) the re-appointment may be made one year before expiry of tenure.

Mr. Ashok Kumar Gupta is Science Graduate and having good health and vast knowledge of Glass Beads business including manufacturing and export. He is having experience of more than fifty years and traveled around whole the world for export business of the company. He had got personally several followings awards and recognition from various organizations.

- U.P. Exporter Gold Card from UP Government.
- Udyami Samman -2010 by **Zee News**, Uttar Pradesh.
- Lifetime Achivement award for outstanding contribution to the promotion of Fashion Jewellery Accessories by EPCH Govt. of India.
- Naz-A-Banaras by Rashtriya Hindi New Paper for the Year 2010-11.
- IMM Bata Marketing award.

His further support/ re-appointment will be always in the interest and benefit of the company, in better way to manage and control.

Keeping in view of the same the Nomination and Remuneration Committee and the Board of Directors have recommended to re-appoint Mr. Ashok Kumar Gupta (DIN 00016661) as Managing Director for further five years with effect from 1 April 2019 on the following main terms and conditions-

- 1) As Managing Director he shall be responsible for the conduct and Management of the whole of the business of the Company.
- 2) As the Managing Director he shall be entitled to the following remuneration and perquisites –

**i) SALARY:**

A salary of Rs.200000/= (Rupees two lacs only) per month.



**ii) PERQUISITES :**

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

a. **REIMBURSEMENT OF MEDICAL EXPENSES:**

Reimbursement of medical expenses (including insurance premium for medical and hospitalization 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. 15,000.

c. **USE OF CAR AND TELEPHONE:**

Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

d. **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.

The copies of relevant resolution of the Board and other relevant documents concerning with re-appointment of Mr. Ashok Kumar Gupta is available for inspection by Members at the registered office of the Company during any working day till the date of AGM.

Mr. Siddharth Gupta, CEO & Managing Director and Ashok Kumar Gupta are interested with this resolution and no other directors are interested with this resolution.

The Board recommends this resolution for your approval.

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

Place : VARANASI  
Date : 31.05.2018

(R.K.SINGH)  
Company Secretary



## **DIRECTORS REPORT**

**Dear Shareholders,**

Your Directors are pleased to present the **38<sup>th</sup> Annual Reports** together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March' 2018.

### **FINANCIAL RESULTS:**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Revenue from Operations	2377.92	2732.46
Net Profit Before Taxation	231.82	281.06
Net Profit after taxation	138.28	166.89
Balance of Profit & Loss Account B/F	1296.06	1174.06
<b>APPROPRIATIONS:</b>		
Transfer to General Reserve	0.00	15.00
Dividend Paid	66.36	0.00
Tax on Dividend paid	13.51	7.07
Taxes of earlier Years	0.19	22.82
Balance of Profit & Loss Account C/F	1354.28	1296.06

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently except as required by accounting standards and other applicable law(s) 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;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017-18.

### **ADOPTION OF IND AS:**

The company has adopted Ind AS from the current financial year and accordingly figures of 31.03.2017 and 01.04.2016 are re-stated. Details of implication of first time adoption of Ind AS has been given in notes on accounts.

### **OPERATION:**

During the year turnover of your Company decreased in the comparison of previous year due to recession in global demand of glass beads, handicrafts etc.

### **DIVIDENDS:**

Based on the Company's performance during the year 2017-18, the Board of Directors decided not to recommend dividend.

### **SETTLEMENT OF MANAGEMENT DISPUTES:**

The Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order dt. 04.07.2007 and 03.08.2007 in the matter of C.P. No. 14/99, CP No. 14/111/1999, 15/111/1999 and 1/111/2001. The said SLP finally has been decided by Hon'ble Supreme Court on 11.04.2018. The Hon'ble Supreme Court has dismissed the appeals filed by Mr. Ajit Kumar Gupta and others group of small shareholders without any direction, the content of said order is as under-

#### **ORDER**

***"We have heard learned counsel for the parties and perused the record. We do not find any merit in these appeals which are here by dismissed."***

By said order of Supreme Court, the two decade old disputes between the management has finally legally resolved. There is no financial impact of said present order of Hon'ble Supreme Court to the company.





## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) is presented in a separate section forming part of the Annual Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of section 149 of the Act, Mr. Ashok Kumar Kapoor, Mr. Praveen Anand Singh, and Mr. Tanmay Deva were appointed as independent directors at the annual general meeting of the Company held on August 13, 2015. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Shri Ashok Kumar Gupta retires by rotation and being eligible has offered himself for re-appointment as director.

Further the tenure of Mr. Ashok Kumar Gupta as Managing Director will be expired on 31.03.2019. Keeping his association and benefit to the company the Nomination and Remuneration Committee and the Board of Directors have recommended to re-appoint Mr. Ashok Kumar Gupta (DIN 00016661) as Managing Director for further five years with effect from 1 April 2019.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees to attend the meetings of the Company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Ashok Kumar Gupta, Chairman & Managing Director, Mr. Siddharth Gupta, Chief Executive Officer and Managing Director, Smt. Shalini Chandra, Executive Director, Mr. Jai Singh, Chief Financial Officer and Mr. R.K. Singh, Company Secretary. There has been no change in the key managerial personnel during the year.

### **BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### **AUDITORS AND AUDITOR REPORT:**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C), were appointed as statutory auditors from the conclusion of the thirty seven Annual General Meeting (AGM) held on September 28, 2017 till the conclusion of the forty two AGM of the Company in the year 2022, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM.

### **SECRETARIAL AUDITOR:**

The Board has appointed M/s Ajay Jaiswal & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2018 is annexed herewith marked as **Annexure –I** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



## **RISK MANAGEMENT**

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

## **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 31.03.2018 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. The solar power plant of 150 KVA is properly working and saving grid electricity. During the year 191353.38 KWH power generated and approx. 35000 KWH transferred to UP electricity board by this way approximately saving of Rs. 20.00 lacs made to the company against electric charges.  
  
The other adequate measures are being taken to conserve the energy.
- b) **Technological Absorption:**  
The Company has imported machines from China and Czech Republic to upgrade 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 1150.33 lakhs from Exports of Glass Beads, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 113.71 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 25<sup>th</sup> May' 2017, 27<sup>th</sup> July, 2017, 26<sup>th</sup> October , 2017, 25<sup>th</sup> January, 2018.

## **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 31.03.2018, 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 FROM PUBLIC:**

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

## **FINANCE**

The Company has taken limit from Yes Bank of Rs. 1500.00 lakhs and the amount of loan outstanding as on 31.3.2018 was Rs.190.30 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 of the Balance Sheet.

No Corporate Guarantees given by the Company in respect of loans as at 31st March, 2018.



## **DISCLOSURE REQUIREMENTS**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which form part of this report.

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is attached and is a part of this annual report.

As per Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and on the website of the Company.

## **TRANSACTIONS WITH RELATED PARTIES.**

None of the transactions with related parties falls under the scope of section 188(1) of the Act as all the transaction are done at arm length price during ordinary course of business. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III** in Form AOC-2 and the same forms part of this report.

### **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 that may have potential conflict with the Company's interests at large. Although all the transactions with related parties are done at arm length price, but in compliance of Ind AS 24 the disclosure of transactions with related parties are set out in Note No. 31 of Financial Statements which is forming part of the Annual Report.

## **CORPORATE SOCIAL RESPONSIBILITY.**

The Provision of Section 135 of Companies Act 2013 concerning with Corporate Social Responsibility is not applicable during the F.Y. 2017-18.

The company has made CSR project/activities on "**Renewable Energy Projects**" through trust towards installation of 20 KVA Solar Project. The cost of said solar project was Rs. 17.50 lacs but Company has made CSR payment Rs. 8.51 lacs to the Trust during this financial year against the CSR amount of Rs. 8.25 lacs. The said Solar Project has been duly completed and started to generate power.

The said 20 KVA Solar Project will reduce Carbon (CO<sub>2</sub>) emission approx thirty ton in a year. It is great benefit to the nature and society.

The average net profit of the company for last three financial years is Rs. 3.90 Crore and for immediate preceding financial year is Rs. 1.67 Crore. Hence CSR provisions do not apply during the current financial year to the company. The relevant attachment is attaché at the end of this board report.

## **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.

## **INCREASE IN PAID-UP CAPITAL-**

During the year one shareholder calls in arrears amount Rs.500 have been realised. After giving effect of said receipt, the paid-up capital changed/ increased to Rs. 66138720 from Rs. 66138220. The balance calls in arrears are @ Rs. 5 per share on 44700 shares amounting to Rs. 223500/-

## **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.

## **PARTICULARS OF EMPLOYEES:**

**The 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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 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 2017-18 in Rs	% increase in Remuneration in the Financial Year 2017-18	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 & Managing Director	2400000	NIL	30.62	
2	Siddharth Gupta CEO & Managing Director	1666560	NIL	21.26	



3	Shalini Chandra Executive Director	672000	NIL	8.57	
4	Ramesh Kumar Singh Company Secretary	794880	8.11%	10.14	Profit before Tax Decrease By 17.52% and Profit After Tax Decrease by 17.14% in Financial year 2017-18
5	Jai Singh Chief Finance Officer	493680	9.65%	6.30	

ii) The median remuneration of employees of the Company during the financial year 2017-18 is Rs.78390 and in Financial Year 2016-17 was Rs. 80836.

iii) In the financial year, there was decrease of 3.03 % in the median remuneration of employees;

iv) There were 236 permanent employees on the rolls of Company as on March 31, 2018;

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

The Profit before Tax for the financial year ended March 31, 2018 decrease by 17.52 % whereas the decrease in median remuneration was 3.03%.

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 1.74 % from 59.24 lacs (annualised) in 2016-17 to 60.27 lacs in 2017-18 whereas the Profit before Tax Decrease by 17.52% to 231.82 lacs in 2017-18 (281.06 lacs in 2016-17) .

vii) a) Variations in the market capitalisation of the Company :

The market capitalisation as on March 31, 2018 was Rs. 4048.01 lacs (Rs. 5073.39 lacs as on March 31, 2017).

b) Price Earnings ratio of the Company was 27.74 as at March 31, 2018 and was 30.46 as at March 31, 2017.

vii) Average percentage increase was made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 is 1.74 % and in the managerial remuneration increase for the last financial year was 2.60 %.

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

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

#### **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.

Place : VARANASI  
Date : 31.05.2018

(Ashok Kumar Gupta)  
Chairman & Managing Director



**ANNEXURE- I TO DIRECTORS' REPORT**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018.**

**[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

We 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 our 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, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2018 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:

We 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 31.03.2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;

**We 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;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) 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.

We 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.

**We 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.

**We 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.

**We 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: 31.05.2018

**For Ajay Jaiswal & Co.**  
Sd/-  
(Ajay Kumar Jaiswal)  
ACS No. 5112  
C P No.: 3684





**ANNEXURE-II TO DIRECTOR REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2018**

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

Sl. No.		
<b>I</b>	<b>REGISTRATION AND OTHER DETAILS:</b>	
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- <a href="mailto:investor@bblivestor.com">investor@bblivestor.com</a> Website. <a href="http://www.bblivestor.com">www.bblivestor.com</a> Ph. No. 0542-2370161-164 (Four Lines) Fax No. 0542-2370165
vi)	Whether listed company Yes / No	Yes, 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:- <a href="mailto:info@masserv.com">info@masserv.com</a> website : <a href="http://www.masserv.com">www.masserv.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are stated as under:-

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 and 321	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
NIL					

**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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
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
<b>Sub-total (A) (1):-</b>	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
(2) <b>Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other –	0	0	0	0	0	0	0	0	0



Individuals									
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
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	20	0	20	0.00	20	0	20	0.00	0
b) Banks / FI	00	0	00	0.00	0	0	0	0.00	0
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (B)(1):-</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0.00</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0.00</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	146811	22570	169381	2.25	157003	22570	179573	2.71	+0.46
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	744399	533079	1277478	19.25	815773	505734	1321517	19.91	+0.66
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	124306	0	124306	1.87	150500	0	150500	2.27	-0.04
c) Others (specify) non-resident Indian./OCB	8844	0	8844	0.13	6679	0	6679	0.01	-0.12
d) Any other (specify) clearing member	139782	0	139782	2.11	62127	0	62127	0.99	-1.12
e) Any other (specify) Employee	1080	810	1890	0.03	340	940	1280	0.01	-0.02
f) Any other (specify) Directors and relative	2179	4530	6709	0.10	2179	4530	6709	0.10	0
g) NBFCs regt. with RBI	220	0	220	0.00	225	0	225	0.00	0
e) Trust	1072000	0	1072000	16.15	1072010	0	1072010	16.15	0
<b>Sub-total (B)(2):-</b>	<b>2239621</b>	<b>560989</b>	<b>2800610</b>	<b>42.20</b>	<b>2266836</b>	<b>533774</b>	<b>2800610</b>	<b>42.20</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2239641</b>	<b>560989</b>	<b>2800630</b>	<b>42.20</b>	<b>2266856</b>	<b>533774</b>	<b>2800630</b>	<b>42.20</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>6075233</b>	<b>560989</b>	<b>6636222</b>	<b>100.00</b>	<b>6102448</b>	<b>533774</b>	<b>6636222</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	% change in share holding during the year



1	ASHOK KUMAR GUPTA	1363402	20.54	NIL	863402	13.01	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/ ASHOK KUMAR GUPTA (joint)	472540	7.12	NIL	472540	7.12	NIL	NIL
5	SHIVANI GUPTA	NIL	NIL	NIL	350110	5.28	NIL	NIL
6	SIDDHARTH GUPTA	201000	3.03	NIL	701000	10.56	NIL	NIL
7	DEEPALI GUPTA	163790	2.47	NIL	163790	2.47	NIL	NIL
	VAISHALI GUPTA	350110	5.28	NIL	NIL	NIL	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	3835592	57.80	3835592	57.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in overall shareholding of the promoters			
	At the End of the year	3835592	57.80	3835592	57.80

(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
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year				
1	RAM GULAM KANHIYA LAL CHARITABLE TRUST	1072000	16.15	1072010	16.15
2	MITA DIPAK SHAH	88056	1.33	75000	1.13
3	HARI PRAKASH GUPTA	36250	0.55	44750	0.67
4	ANIL KUMAR GUPTA	0	0	30750	0.46
5	GUNTUPALLI HARISH	0	0	17844	0.27
6	SANJEEV GUPTA	0	0	14500	0.22
7	SUBHASH KUMAR GUPTA	0	0	13551	0.20
8	POONAM BANKIM DESAI	11673	0.18	11673	0.18
9	RAJESH KUMAR MAHESHWARI	0	0	10000	0.15
10	SEEMA MUSTAFA	9570	0.14	9570	0.14
	PRASHANT KANSAL	20000	0.30	0	0
	SURYANARAYANA NALLI	10700	0.16	0	0
	AYD HESH KUMAR	10000	0.15	0	0
	DIPAK KANAYALAL SHAH	26130	0.39	0	0
	RHEA D SHAH	22510	0.34	0	0
	BRAJA BALASAHA ROY	17000	0.25	0	0
	SHRI NARAIN AGARWAL	11861	0.18	0	0
	BUL BUL	9900	0.15	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.	Transfer			



	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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
	At the beginning of the year				
	Shri Ashok Kumar Gupta	1363402	20.54	862402	13.01
	Shri Siddharth Gupta	201000	3.03	701000	10.56
	Shri Ashok Kumar Kapoor	NIL	NIL	NIL	NIL
	Shri Praveen Singh	550	-	550	-
	Shri Tanmay Deva	50	-	50	-
	Mrs. Shalini Chandra	5300	0.08	NIL	NIL
	Shri Ramesh Kumar Singh	50	-	50	-
	Shri Jai Singh	60	-	60	-
	Total at the beginning of the year	1570412	23.66		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Transfer during the year 5300	0.08
	At the End of the year			1565112	23.58

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In lacs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	109.61	----	----	109.61
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>109.61</b>	<b>----</b>	<b>----</b>	<b>109.61</b>
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	650.65			650.65
<input type="checkbox"/> Reduction	569.96			569.96
<b>Net Change</b>	<b>80.69</b>	<b>----</b>	<b>----</b>	<b>80.69</b>
Indebtedness at the end of the financial year				
i) Principal Amount	190.30	----	----	190.30
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>190.30</b>	<b>----</b>	<b>----</b>	<b>190.30</b>



**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 (C&MD)		
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	1488000	600000	2400000		4488000
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)	1488000	600000	2400000		4488000
	Ceiling as per the Act	8400000	8400000	8400000		25200000

*B. Remuneration to other directors:*

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings (sitting fee)	Ashok Kumar Kapoor	Praveen Singh	Tanmay Deva		
		19000	19000	19000		57000
	Total (1)	<b>19000</b>	<b>19000</b>	<b>19000</b>		<b>57000</b>
2	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)	NIL	NIL	NIL		NIL
	Total (B)=(1+2)	<b>19000</b>	<b>19000</b>	<b>19000</b>		<b>57000</b>
	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		720000  NIL  NIL	444000  NIL  NIL	1164000  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		720000	444000	1164000

**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)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment	NIL				
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

For BANARAS BEADS LTD.,

Place : VARANASI  
Date :31.05.2018

(Ashok Kumar Gupta)  
Chairman & Managing Director



**ANNEXURE-III TO DIRECTOR REPORT**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:**

Banaras Beads Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2017-18. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

**2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:**

Sl No.	Particulars	Detail of transaction		
a	Name(s) of the related party	Banaras Beads Exports Limited	Banaras Glass Beads Limited	Key Managerial Persons ( for detail refer page 17 &18 of board report)
	Nature of relationship	Shareholder	Director and Shareholder	KMP
b	Nature of contracts / arrangements / transactions			
	Sale	1236803	8980816	
	Purchase	766088	7301184	
	Remuneration to KMP			5652000
c	Duration of the contracts / arrangements / transactions	2017-18	2017-18	2017-18
d	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>Strictly at arm length price</li> <li>Maximum Rs. 2.50 Crores d/y</li> <li>Transaction and payment in ordinary course of business</li> </ul>		As approved by Board/Member as applicable
e	Date(s) of approval by the Board, if any	24.01.2017	24.01.2017	At various date
f	Amount paid as advances, if any	NIL	NIL	NIL

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

Place : Varanasi  
Date : 31.05.2018

(Ashok Kumar Gupta)  
Chairman & Managing Director



## ANNEXURE-IV TO DIRECTOR REPORT

### **ANNUAL REPORT ON CSR ACTIVITIES**

**A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company (Banaras Beads Limited)' CSR project is "Renewable energy Projects under environmental sustainability, ecological balance and conservation of natural resources. The Emission of CO<sub>2</sub> from Environment through Solar Power Project is enabling people to lead a better life.

The installation of 20 KVA Solar Project undertaken within the broad framework of Schedule VII of the Companies Act, 2013. The details of the CSR policy and projects undertaken by the Company is available at companies website [www.bblinvestor.com](http://www.bblinvestor.com).

1. **The composition of the CSR committee:** The Company has a CSR committee of directors comprising Mr. Ashok Kumar Kapoor, Chairman of the Committee, Mr. Ashok Kumar Gupta, Mrs. Shalini Chandra, Mr. Praveen Anand Singh and Mr. Tanmay Deva.

2. The average net profit of the company for last three financial years Rs. 3.90 Crore or immediate preceding financial year is Rs. 1.67 Crore. Hence CSR provisions do not apply during the financial year to the company.

3. **Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):** `NIL.

4. **Details of CSR spent during the financial year:** The company paid Rs. 8.51 lacs to a trust against CSR amount of previous years Rs. 8.25 lacs for installation of Solar Project.

a. **Total amount to be spent for the financial year:** `NA.

b. **Amount unspent:** `NIL.

c. **Manner in which the amount spent during the financial year: Rs. 8.51 lacs incurred on Solar Power Project.**

Sl. No.	CSR Project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	20 KVA Solar Project	Renewable Energy Project under Schedule VII	Varanasi District in Uttar Pradesh	Rs. 8.51 lacs on Solar Project	Rs. 8.51 lacs on Solar Project	Rs. 8.51 lacs on Solar Project	Through a Varanasi based Trust

5. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.** NA.

6. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For BANARAS BEADS LTD.

For BANARAS BEADS LTD.

Place : Varanasi  
Date : 31. 05. 2018

(Siddharth Gupta)  
CEO & Managing Director

( Ashok Kumar Kapoor)  
Chairman  
CSR Committee of the Company



## **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 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:**

Your company is an Export House recognized by Government of India, Ministry of Commerce & Industries and main business of handicrafts like Glass Beads, Necklaces, Imitation Jewellery in indigenous and Export market.

## **OPPORTUNITIES & THREATS:**

The company's product is fashionable items and appreciated in International and indigenous market. Thus there are opportunities for doing more business in this line. But last three four years downfall in fashionable items in International market going on and China has also picked up much share in the market due to their unbelievable low pricing patterns. Thus not only competition has increased but also the Company is forced to reduce price under pressure and to offers to sell its products at un remunerative prices. 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 network. 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. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not required.

## **FINANCIAL / OPERATIONAL PERFORMANCE:**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Revenue from Operations	2377.92	2732.46
Net Profit Before Taxation	231.82	281.06
Net Profit after taxation	138.28	166.89
Balance of Profit & Loss Account B/F	1296.06	1174.06
<b><u>APPROPRIATIONS:</u></b>		
Transfer to General Reserve	0.00	15.00
Dividend Paid	66.36	0.00
Tax on Dividend	13.51	7.07
Taxes of earlier Years	0.19	22.82
Balance of Profit & Loss Account C/F	1354.28	1296.06

## **OUTLOOK:**

The Company is developing new items/products through imported machines and getting order on the basis of same and in coming years demand of company products will be increased in international and indigenous market. During the year company has participated in Foreign Trade Fairs mainly held in Hong Kong , Germany, Argentina, Middleast and other countries.

## **RISK & CONCERNS:**

The main business of your Company is Export business, continuous down fall last three four years in international market is major concern for your company.

Any further change in duty drawback, 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 Internal auditors 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:**

Despite of taking all efforts during the financial year total turnover has decreased to Rs. 2283.29 lacs in comparison to Rs. 2569.27 lacs..

## **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 236 employees as on March 31, 2018 and out of which 92 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.

## **ACCOUNTING STANDARDS:**

The financial statements of the company (Banaras Beads Limited) are prepared in compliance with the Companies Act, 2013 and in accordance with Indian Accounting Standards (Ind. AS).

The statement of profit and loss for the year ended March 31, 2018, balance sheet as at March 31, 2018 and the cash flow statement for the year ended March 31, 2018 read with statements annexed thereto are more relevant for understanding the performance of the company.

For BANARAS BEADS LTD.

Place : VARANASI  
Date : 31.05.2018

(Ashok Kumar Gupta)  
Chairman & Managing Director

## CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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 its 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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### 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 & Managing Director	3	1	1
2. Shri Ashok Kumar Kapoor	Non-Executive and Independent Director	1	3	2
3. Shri Praveen Singh	Non-Executive and Independent Director	1	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	2	NIL	NIL

### 3. NUMBERS OF BOARD MEETING HELD:

Four Board Meetings were held during the F.Y. on 25<sup>th</sup> May' 2017, 27<sup>th</sup> July, 2017, 26<sup>th</sup> October, 2017, 25<sup>th</sup> January, 2018.

### 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	4	Yes
4. Shri Tanmay Deva	4	Yes
5. Shri Siddharth Gupta	4	Yes
6. Smt. Shalini Chandra	3	Yes

### 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, 2018 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:

The Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. by 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 11<sup>th</sup> May' 2017, 26<sup>th</sup> July, 2017, 25<sup>th</sup> October, 2017 and 24<sup>th</sup> January, 2018 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2017-2018 on 21.5.2018. Mr. Ashok Kapoor, Mr. Tanmay Deva and Mr. Praveen Singh have attended all meetings.

The terms of reference to this committee cover the matters specified for Audit and Risk Management Committee.



**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 25<sup>th</sup> May' 2017, 26<sup>th</sup> July,2017, 26<sup>th</sup> October, 2017 & 25<sup>th</sup> January, 2018 to review remuneration. Mr. Ashok Kumar Kapoor, Mr. Tanmay Deva and Mr. Praveen Singh attended all four meetings.

No remuneration is paid to Non-executive and independent Directors.

**8. CORPORATE SOCIAL RESPONSIBILITY CSR COMMITTEE:**

The Board has constituted a Corporate Social Responsibility Committee comprising of Mr. Ashok Kumar Kapoor, Mr. Ashok Kumar Gupta, Smt. Shalini Chandra, Mr. Praveen Singh, and Mr. Tanmay Deva, directors of the company. Mr. Ashok Kumar Kapoor is the Chairman of the Committee. The main function of the said committee is to formulate and monitor the CSR policy of the company. The CSR committee adopted policy to Promote education, health and setting of homes and hostels for women orphans, old age home, Protection of national heritage, training to promote rural sports, contribution to Prime Minister funds, Renewable energy projects, Social Business Project, Other various such type of expenses/activities as mentioned in Schedule VII of the Companies Act, 2013. The CSR report as required under the companies act 2013 for the year ended 31<sup>st</sup> March, 2018 is attached as Annexure-IV of the board report.

The meetings of the CSR Committee were held on 26.10.2017 and 24.01.2018.

**9. 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 held their independent meetings on 11.05.2017 and 24.01.2018. The same meetings were chaired by Mr. Tanmay Deva.

**10. COMMITTEE FOR THE SHAREHOLDERS:**

**a) SHARE TRANSFER COMMITTEE:**

The Committee met four times during the year 2017-2018 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	4915	150	29950	1320
No. of shares accepted	4915	150	28540	1320
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	1410	

**b) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:**

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 23<sup>rd</sup> May' 2017, 27<sup>th</sup> July,2017, 25<sup>th</sup> October ,2017 & 24<sup>rd</sup> January, 2018.

**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](mailto: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](mailto:investor@bblinvestor.com) or [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com)

**d) The status of total number of complaint received during the financial year 2017-2018 –**

The Company has made policy to resolve / redress the complaint within 10 days by the company or through Registrar of Transfer Agent. During the year company has received 4 complaints regarding non-receipt of dividend, demat/ transfer of shares and 115 request to revalidate warrants / issue duplicate demand draft(s). All complaints / request have been resolved timely including issue of duplicate DDs/Warrant . 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 are pending for reply / redressal as on 31.3.2018.



# **11. 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			
2014-2015	-Do-	13.08.2015	3.00PM	Special resolution passed.
2015-2016	-Do-	04.08.2016	3.00PM	No special resolution passed
2016-2017	-Do-	28.09.2017	3.00 PM	No special resolution passed.

**Postal ballots :** For the year ended on 31<sup>st</sup> March' 2018 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.

# **12. OTHER DISCLOSURES:**

- None of the transactions with related parties falls under the scope of section 188(1) of the Act as all the transaction are done at arm length price during ordinary course of business. Although all the transactions with related parties are done at arm length price, but in compliance of Ind AS 24 the disclosure of transactions with related parties are set out in Note No. 31 of Financial Statements which is forming part of the Annual Report
- 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.

# **13. MEANS OF COMMUNICATION:**

The Annual, half yearly and Quarterly results are usually submitted to the Stock Exchanges in accordance with Listing Agreements/ SEBI Regulation (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable 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.

# **14 (i) SHAREHOLDERS INFORMATION:**

- Annual General Meeting**

<b>Date</b>	: 16.08.2018,
<b>Time</b>	: 3:00 P.M
<b>Venue</b>	: A-1, Industrial Estate, Varanasi
- Financial Calendar 2017-2018** : (F.Y. 01/04/2017 to 31/03/2018)
- Dates of Books Closure** : From **Friday, the 10<sup>th</sup> August, 2018 to Thursday 16<sup>th</sup> August, 2018 (both days inclusive).**
- Dividend** : No Dividend for F.Y.2017-2018 recommended by board.
- Listing on Stock Exchanges** : Bombay Stock Exchange  
National Stock Exchange
- Listing Fees** : Fees paid BSE and NSE.
- Stock Code with BSE** : 526849
- Demat ISIN Number in NSDL** : INE655B01011
- Registered Office** : A-1, Industrial Estate, Varanasi
- Location of the Plant** : A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi
- 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](mailto:info@masserv.com) website : [www.masserv.com](http://www.masserv.com)
- 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.
- Compliance Officer** : Sri R.K. Singh, Company Secretary
- Designated Exclusive E-mail for investor service and Website** : [investor@bblinvestor.com](mailto:investor@bblinvestor.com) or [www.bblinvestor.com](http://www.bblinvestor.com)



14(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.

14(iii) **DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>st</sup> MARCH' 2018:**

Particular	No. of Shareholder	% out of total share holders	Number of Share held	% of share holding
001 – 500	6526	94.021	729275	10.989
501 – 1000	224	3.227	168298	2.536
1001 – 2000	86	1.239	127414	1.920
2001 – 3000	36	0.519	91293	1.376
3001 – 4000	17	0.245	59840	0.902
4001 – 5000	14	0.202	63629	0.959
5001 – 10000	17	0.245	118152	1.780
10001 – above	21	0.303	5278321	79.538
	<b>6941</b>	<b>100.00</b>	<b>6636222</b>	<b>100.00</b>

14(iv) **CATEGORY WISE SHARE HOLDING AS ON 31.03.2018:**

The category wise share holding of Members of the Company as on 31.03.2018 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	179573	2.705
3- Financial Institution / Bank	0	0.000
4- Mutual Fund	20	0.000
5- Trust	1072010	16.154
6- Non resident Indian/OCB	6679	0.100
7- Clearing Member	62127	0.936
8- Employee	1280	0.019
9- Director's relative	6709	0.101
10- Indian Public	1471632	22.175
<b>Total -</b>	<b>6636222</b>	<b>100.00</b>

14(v) **DEMATERIALIZATION OF SHARES:**

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26<sup>th</sup> March, 2001 and as on 31<sup>st</sup> March, 2018 total number of 6102448 equity shares representing 91.96 % of the Equity Share Capital have been dematerialized. However out of total 6941 shareholders, 3245 shareholders (46.75%) have dematerialized their shares.

14 (vi) **STOCK MARKET DATA:**

Period (Apr 2017 to Mar 2018)						
BSE				NSE		
Month	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr 17	78.80	63.10	3664709	80.00	64.15	55576
May 17	67.40	56.25	1991721	68.60	57.00	44761
Jun 17	81.40	56.50	6341757	81.50	56.40	274335
July 17	73.15	57.05	6456852	72.55	59.00	1177453
Aug 17	67.50	50.00	7747595	65.15	49.75	135295
Sep 17	78.00	58.00	7405905	77.40	58.00	347371
Oct 17	66.90	58.05	4087961	68.40	57.50	183840
Nov 17	73.40	57.00	11795155	73.25	57.20	858809
Dec 17	91.80	61.00	15613623	91.75	62.00	471865
Jan 18	108.00	65.00	31313028	104.00	69.70	758304
Feb 18	71.85	58.50	3697896	71.50	57.75	67742
Mar 18	65.40	53.50	1313740	64.65	54.20	46628

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

14 (viii) The Shares of the Company are listed with BSE and NSE.

14(ix) **NON-MANDATORY REQUIREMENTS** – Not adopted.

15. **CEO / CFO CERTIFICATION:**

CEO / CFO Certificate in Compliance of Listing Agreement is enclosed in respect of the financial year 2017-18.

For BANARAS BEADS LTD.

Place : Varanasi  
Date : 31.05.2018

(Ashok Kumar Gupta)  
Chairman & Managing Director



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary as on March 31, 2018.

For Banaras Beads Limited

(Siddharth Gupta)  
CEO & Managing Director

**CEO/ CFO CERTIFICATE**

To,  
The Board of Directors,  
Banaras Beads Limited  
Varanasi

We, Siddharth Gupta, **CEO & Managing Director** and 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 Statement of Profit and loss account 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 Indian Accounting Standards (Ind. AS).
  - (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.



**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members  
Banaras Beads Ltd.

1. We have examined the compliance of conditions of Corporate Governance by **Banaras Beads Limited** ("the Company"), for the year ended on March 31, 2018, as stipulated in:
  - a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
  - b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2016 to September 1, 2016.
  - c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2016 to March 31, 2018 and
  - d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2016 to March 31, 2018.
2. 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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2018.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G D Dubey & Associates  
Chartered Accountants

Place: Varanasi  
Date: 31. 05. 2018

(G.D. Dubey)  
Partner M. No. 076804





## **BUSINESS RESPONSIBILITY REPORT**

### **SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

**Corporate Identity Number (CIN) of the Company** : L01131UP1980PLC004984

- Name of the Company** : Banaras Beads Limited
- Registered address** : A-1, Industrial Estate, Varanasi-221106
- Website** : [www.banarasbead.com](http://www.banarasbead.com), OR [www.bblinvestor.com](http://www.bblinvestor.com)
- E-mail id** : [info@banarasbead.com](mailto:info@banarasbead.com) OR [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com)
- Financial Year reported** : April 1, 2017 to March 31, 2018
- 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 semiprecious metal and stone.
321	3212	32120	Manufacture of imitation Jewellery, Handicrafts and other related items.

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

As per clause 6 stated above

- 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)

- Markets served by the Company –**

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

### **SECTION B: FINANCIAL DETAILS OF THE COMPANY**

- Paid up Capital (INR)** : 661.38 Lacs.
- Total Turnover (INR)** : 2283.29 Lacs.
- Total profit after taxes (INR)** : 138.28 Lacs.
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 6.15 (During the year the company has incurred Rs. 8.51 lacs on CSR project, Solar Energy .
- List of activities in which expenditure in 4 above has been incurred:-** N.A.

### **SECTION C: OTHER DETAILS**

- Does the Company have any Subsidiary Company/ Companies?** : No.
- 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
- 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**

- Details of the Director/Director responsible for implementation of the BR policy/policies.
  - DIN Number - 00342369
  - 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? If 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 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? 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 4 complaints regarding non-receipt of dividend, demat/ transfer of shares and 115 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.(NA)
- Reduction during usage by consumers (energy, water) has been achieved since the previous year. (NA)

- 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. 236**
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis. 0**
3. **Please indicate the Number of permanent women employees. 92**
4. **Please indicate the Number of permanent employees with disabilities: 9**
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	NIL

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

- **Permanent Employees : 5%**
- **Permanent Women Employees : 5%**
- **Casual/Temporary/Contractual Employees : NIL**
- **Employees with Disabilities :10%**

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**

**1 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.**

**2 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 Export Promotion Council of India (CAPEXIL)
  - c. Export Promotion Council for Handicrafts (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. Nil.
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 Members of **BANARAS BEADS LIMITED**  
**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Banaras Beads Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income) the Statement of Cash Flows and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (herein after referred to as "standalone Ind AS financial statements")

### **Management's Responsibility for the Standalone Ind AS 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting record 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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statement 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of the reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31st March, 2018, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. 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 including Other Comprehensive Income, the statement of Cash Flow and Statement of Change in Equity dealt with by the Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With Respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
  - g) 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, as amended, 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 note number 46 & 47 in its financial Statement.
    - ii. The Company has made provision as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long terms contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditors Report) Order 2016 (the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement of the matters specified in paragraphs 3 and 4 of the Order.

For- G D Dubey & Associates  
Chartered Accountants  
(Firm No 009836C)

(G.D. Dubey)  
M. No. 076804  
Varanasi; 31.05.2018



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1(f) under on other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Banaras Beads Limited.

We have audited the internal financial controls over financial reporting of Banaras Beads Limited ( ' the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as at on that date.

### Management's Responsibility for Internal Financial Controls.

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed 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. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting.

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For- G D Dubey & Associates  
Chartered Accountants  
(Firm No 009836C)

(G.D. Dubey)  
M. No. 076804  
VARANASI; 31.05.2018



**ANNEXURE “B” 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 31<sup>ST</sup> MARCH, 2018.**

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:

1. (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.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and 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.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, and as explained to us the terms and conditions are not prejudicial to the interest of the company and no schedule of repayment has been stipulated.
4. In our opinion and according to the information and explanation given to us, the company has complied with the provision of Section 185 and 186 of the act, with respect to the investment and loan made.
5. The Company has not accepted any deposits from the public.
6. Reporting under clause 3(v) of the order is not applicable as the Company’s business activities are not covered by the companies (Cost Records and Audit) Rules, 2014.
7. 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, Goods and Service Tax, 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 31<sup>st</sup> of March, 2018 for a period of more than six months from the date they became payable except as reported in note 30 of the Financial Statements.
8. 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.
9. The Company has not raised moneys by way of initial public offer or future public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
10. 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.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For- G D Dubey & Associates  
Chartered Accountants  
(Firm No 009836C)

(G.D. Dubey)  
M. No. 076804  
VARANASI;31.05.2018





**Balance Sheet as at 31st March, 2018**

Balance Sheet as at 31st March, 2018				
Particulars	Note No	(Amount in Rs.)		
		As at 31 <sup>st</sup> March'2018	As at 31 <sup>st</sup> March' 2017	As at 1 <sup>st</sup> April' 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2	112560272	126052811	137777751
(b) Capital work-in-progress		88370130		
(c ) Other intangible assets		41337	41337	41337
(d) Financial assets				
(i) Investments	3	31211740	31909954	36661499
(e) Deferred tax assets (net)	4	0	1521971	2538768
(f) Other non-current assets	5	1049767	1046767	13940205
Branch Balance		0		
<b>Current assets</b>				
(a) Inventories	6	140650835	113195895	142499862
(b) Financial assets				
(i) Trade receivables	7	7886749	7155577	13422515
(ii) Cash and cash equivalents	8	8980691	23451515	2802225
(iii) Other Bank Balance	9	79139623	103315529	102493969
(iv) Loans	10	3028266	54927771	29104548
(v) Other Advances	11	5760716	11531912	17312965
(c) Current Tax Assets (Net)	12	8745037	2546684	11728757
(d) Other current assets	13	998323	1173415	1192299
<b>TOTAL - ASSETS</b>		<b>488423486</b>	<b>477871138</b>	<b>511516700</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	14	66138720	66138220	66137720
(b) Other equity	15	375988811	370117877	356415854
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Deferred tax Liabilities (Net)	16	681964	0	0
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	17	19030200	10960554	50902880
(ii) Trade Payable	18	3353740	8184766	9558556
(iii)Other financial liabilities	19	7090140	8670873	11476232
(b) Other current liabilities	20	14742611	9803333	10289029
(c )Provisions	21	1397300	3995515	6736429
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>488423486</b>	<b>477871138</b>	<b>511516700</b>

Accounting policies & Notes on Accounts 1 to 48

For and on behalf of the Board of Directors

In terms of our report of even dated attached

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner

VARANASI; 31.05.2018

(Siddharth Gupta) (Ashok Kumar Kapoor)  
CEO & Managing Director Independent Director

(Praveen Anand Singh) (R.K. Singh)  
Independent Director Company Secretary

(Jai Singh)  
Chief Finance Officer



**Statement of Profit and Loss for the year ended 31st March, 2018**

(Amount in Rs.)

Particulars	Note No	2017-18	2016-17
Revenue from operations	22	237792221	273246314
Other Income	23	9584410	13194797
<b>Total Income</b>		<b>247376631</b>	<b>286441111</b>
<b>Expenses:</b>			
Cost of materials consumed	24	168628415	105163325
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	-45914975	39565347
Manufacturing Expenses	26	20002881	21768694
Employee benefit Expense	27	34128708	35675203
Financial Costs	28	756105	1537410
Depreciation and amortization expense	2	18393996	21042823
Other Expenses	29	28199231	33582610
<b>Total Expenses</b>		<b>224194361</b>	<b>258335412</b>
Profit before exceptional items and tax		23182270	28105699
Exceptional Items		0	0
Profit before tax		23182270	28105699
Tax expense:			
Current tax		7150000	10400000
Deferred tax		2203935	1016797
Profit for the year		13828335	16688902
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		2.08	2.51

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
VARANASI;31.05.2018

(Siddharth Gupta)  
CEO & Managing Director

(Ashok Kumar Kapoor)  
Independent Director

(Praveen Anand Singh )  
Independent Director

(R.K. Singh)  
Company Secretary

(Jai Singh)  
Chief Finance Officer



**Statement of Change in Equity for the year ending 31.03.2018**

A. Equity Share Capital	No of Shares	Amount in Rs.		
		Issued/Subscribed	Unpaid Call	Net
As at 01.04.2016	6636222	66362220	224500	66137720
Change in Equity Share Capital	0	0	-500	500
As at 31.03.2017	6636222	66362220	224000	66138220
Change in Equity Share Capital	0	0	-500	500
As at 31.03.2018	6636222	66362220	223500	66138720

  

B. Other EQUITY				
Particulars	Reserves & Surplus			Total
	Securities premium reserve	Retained earnings	General Reserve	
Balance as at 01.04.2016	223159800	117406054	15850000	356415854
Profit for the year		16688902		16688902
Transfer from/to General reserve/ retained earning during the year		-1500000	1500000	0
<b>Transactions with owners in their capacity as owners:</b>				
Unpaid Call received	1800			1800
Dividend Distribution Tax		706625		706625
Tax of Earlier Year		2282054		2282054
Balance as at 31.03.2017	223161600	129606277	17350000	370117877
Profit for the year		13828335		13828335
<b>Transactions with owners in their capacity as owners:</b>				
Unpaid Call received	49000			49000
Dividends paid		6636222		6636222
Dividend Distribution Tax		1350979		1350979
Tax of Earlier Year		19200		19200
<b>Balance as at 31.03.2018</b>	<b>223210600</b>	<b>135428211</b>	<b>17350000</b>	<b>375988811</b>

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
Place : Varanasi  
Date : 31.05.2018

(Siddharth Gupta)  
CEO & Managing Director

(Ashok Kumar Kapoor)  
Independent Director

(Praveen Anand Singh )  
Independent Director

(R.K. Singh)  
Company Secretary

(Jai Singh)  
Chief Finance Officer



**Statement of Cash Flow For the Year Ended 31st March, 2018**

Statement of Cash Flow For the Year Ended 31st March, 2018				Amount(Rs.)
	Current Year		Previous Year	
<b><u>(A) Cash Flow from Operating Activities</u></b>				
Net Profit Before Tax and Extraordinary Items		23182270		28105699
Adjustment For :-				
Depreciation	18393996		21042823	
Profit/Loss on Sale of Fixed Assets	0		(26938)	
Profit/(Loss) on Sale of Investment	(116950)		(766787)	
Interest/Dividend/ Rent	(8725442)		(11000426)	
Other Non Cash Income/Exp.	0	9551604	0	9248672
		32733874		37354371
Adjustment For :-				
Trade & Other receivables	51142049		7031476	
Inventories	(27454941)		29303967	
Trade Payable	(1615356)	22071753	(4083047)	32252396
Cash Generated From Operations		54805626		69606767
Interest Paid	729681		683778	
Direct Taxes	(11201299)	(10471618)	(15423705)	(14739927)
		(10471618)		(14739927)
Cash Flow Before Extraordinary Items		44334008		54866840
Extraordinary Items	0	0	0	0
<b>Net Cash From Operating Activities (A)</b>		44334008		54866840
<b><u>(B) Cash Flow From Investing Activities :</u></b>				
Purchase of Fixed Assets	(93271587)		(9345945)	
Sale of Fixed Assets	0		55000	
Purchase of Investments	(130241)		(8307932)	
Sale of Investments	945405		13826265	
Increase in other non current assets	(3000)		0	
Interest Received	7283869		9824915	
Rent Received	591000		302250	
Dividend Received	850574		873261	
<b>Net Cash used in investing activities (B)</b>	(83733981)	(83733981)	7227814	7227814
<b><u>(C) Cash Flow From Financing Activities :</u></b>				
Amount Received against Calls in Arrear	49500		2300	
Proceeds from Short term borrowings	8069646		(39942326)	
Dividend & Interest Paid	(7365903)		(683778)	
<b>Net Cash used in financing activities (C )</b>	753243	753243	(40623804)	(40623804)
<b>TOTAL (A+B+C)</b>		(38646730)		21470850
Net Increase/Decrease in Cash & cash Equivalents		(38646730)		21470850
Cash & cash Equivalents As at 01.04.2017		126767044		105296194
Cash & cash Equivalents As at 31.03.2018		88120314		126767044

**Notes:**

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS-7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting standards) Rules'2015.

2. Cash & cash equivalents includes in the statement of cash flows comprise the followings:

(a) Cash & cash equivalents disclosed under current assets (Note 8)	8980691	23451515
(b) Other bank balances disclosed under current assets (Note 9)	79139623	103315529
	88120314	126767044

3. Previous year figures have been regrouped/ reclassified where ever applicable.

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
VARANASI; 31.05.2018

(Siddharth Gupta)  
CEO & Managing Director

(Praveen Anand Singh )  
Independent Director

(Ashok Kumar Kapoor)  
Independent Director

(R.K. Singh)  
Company Secretary

(Jai Singh)  
Chief Finance Officer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE-1 : SIGNIFICANT ACCOUNTING POLICIES**

**A. STATEMENT OF COMPLIANCE:**

The company's financial statement have been prepared in accordance with the provision of the Companies Act., 2013 and the Indian Accounting Standard("Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015 issued by Ministry of Corporate Affairs in respect of section 133 read with sub-section (1) 210A of the Companies Act,1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. The financials for the year ended March 31,2018 of the company are the first financial statement in compliance with Ind AS. The date of transition to Ind AS is April 1, 2016. The financial statement up to year ended March 31,2017, were prepared in accordance with the accounting standard notified under Companies (Accounting Standard) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. The figures for the year ended March 31,2017 have now been restated as per Ind AS to provide comparability. These financial statements have been approved by the Board of Directors at their meeting held on May 25, 2017.

**B. 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.

**C. PRESENTATION OF FINANCIAL STATEMENT:**

The Balance Sheet and the Statement of Profit and loss prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013("the Act"). The statement of cash flow has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flow". The disclosure requirement with respect to items in the Balance Sheet and the Statement of the profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in absolute Indian Rupee as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

**D. REVENUE RECOGNITION:**

The company generally follows the mercantile system of accounting recognizing both income and expenditure on accrual basis.

- Sales include export sales whether made directly or through third parties. Sale does not include Goods and Service Tax or any other indirect tax such as Excise Duty, VAT etc. Due to applicability of Goods and Service Tax, Export Sales is recognized when goods are dispatched from factory with export invoice and thus includes Goods under shipment.
- Interest income is accrued on a time basis and the effective interest rate.
- Dividend income is accounted in the period in which the same is received.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.
- All the expenditures are recognized on accrual basis except written else otherwise in any notes.
- Duty Credit Script under Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorisation 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 Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorization Incentive Script Schemes receivable at the end of accounting year is accounted on estimated realizable value.

**E. PROPERTY, PLANT AND EQUIPMENT(PPE):**

PPE is recognized when it is possible that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duties credits availed, if any, less accumulated depreciation, if any.

For Transition to Ins AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation on the transition date of April 1, 2016.

PPE not ready for intended use on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

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. Depreciation on additions to/deductions from, owned asset is calculated on pro rata to the period of the use.

**F. INVESTMENT PROPERTY:**

The company does not intend to create Property to earn rental income. The company is having rental income by renting out very small part of unused factory building on short term basis which is not a material amount, thus no property is classified separately as Investment Property.

**G. INTANGIBLE ASSET:**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible asset are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization. Intangible Assets are amortized on Written Down Value basis over the useful life of asset as prescribed in Schedule II of the Companies ACT'2013.



**H. 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.

**I. EMPLOYEE BENEFIT:**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia scheme, performance-linked reward falling due to wholly within twelve month of rendering services are recognized in the period in which the employee renders the related services.

Company's contribution to Provident Fund, Family Pension Fund, ESI etc. are charged to Profit & Loss Account on accrual basis.

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.

**J. INVENTORIES:**

Inventories are valued on the following basis-

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

**K. FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currency are accounted for in accordance with Ind AS-21. Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of the transactions. Monetary items denominated in 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.

**L. ACCOUNTING AND REPORTING OF INFORMATION FOR OPERATING SEGMENTS:**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessments and resource allocation. Segment accounting policies are in line with the accounting policies of the company. The reporting of segment information is the same as provided to the management for the purpose of the performance assessments and resource allocation to the segments.

**M. INCOME TAXES:**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the companies financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

**N. BORROWING COST:**

Borrowing cost that is attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such assets till such time the assets is ready for its intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- Provisions are recognized when the company has a present obligation as a result of past event and a reliable estimate of amount of obligation can be made.
- Contingent Liabilities are generally not provided for in the Accounts and are shown by way of Notes on Accounts in case of a present obligation arising from past events when it is not probable that an outflow of resources will be required to settle the obligation and no reliable estimate is possible.
- Contingent assets are disclosed when an inflow of economic benefits is probable.  
Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**P. STATEMENT OF CASH FLOWS:**

Statement of cash Flow is prepared as prescribed in Schedule III of Companies Act 2013 segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method by adjusting the net profit for prescribed items.



**Q. FIRST TIME ADOPTION OF IND AS:**

The company has prepared the opening Balance Sheet as at 01.04.2016 (transition date) as per Ind AS by-

- recognizing all assets and liabilities whose recognition is required by Ind AS,
- derecognizing items of assets or liabilities which are not permitted to be recognized as per Ind AS
- reclassifying the items from I-GAAP to Ind AS where ever required and
- applying Ind AS to measure the recognized assets and liabilities.

Following exemptions are availed by the company under Ind AS 101 while applying the Ind AS for the first time-

- the company has adopted the carrying value determined in accordance with I-GAAP for all of its PPE as deemed cost of such assets on 01.04.2016
- the estimates as at 01.04.2016 and 31<sup>st</sup> March'2017 are consistent with those made for the same dates in accordance with I-GAAP.

**R.** 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.

**2. Property, Plant & Equipment & Capital Work In Progress For the year 2017-18**

Name of Assets	Gross Block				Depreciation				Net Block	
	Op. Balance as on 01.04.2017	Addition	Deduction	Total	Upto 31.03.2017	During the Year	Deduction During the year	Total	As on 31.03.2018	As on 31.03.2017
<b>Tangible Assets</b>										
Leasehold Land	29843			29843					29843	29843
Land	3471433			3471433	0	0		0	3471433	3471433
Factory building	128716422	1370208		130086630	55927943	6915261		62843204	67243426	72788479
Furniture and fixtures	11559036	154704		11713740	10268271	345381		10613652	1100088	1290765
Plant and machinery	77408509	878582		78287091	46333391	5871561		52204952	26082139	31075118
Electrical equipment's	25239814	171500		25411314	14557983	2814179		17372162	8039152	10681831
Office equipment's	860940	42000		902940	812654	20683		833337	69603	48286
Vehicles	21234227	2060222		23294449	18196476	1537196		19733672	3560777	3037751
Computer	6420068	38610		6458678	5765199	273814		6039013	419665	654869
Furnaces	1708349	0		1708349	1673863	0		1673863	34486	34486
Mobile phone	335611	185632		521243	138873	119400		258273	262970	196738
Effluent treatment disposal system	4091728	0		4091728	1348516	496521		1845037	2246691	2743212
Sub Total	281075980	4901457	0	285977437	155023169	18393996	0	173417165	112560272	126052811
<b>Intangible Assets</b>										
Software	826747			826747	785410	0		785410	41337	41337
Sub Total	826747	0	0	826747	785410	0	0	785410	41337	41337
<b>Capital Work In Progress</b>										
W-I-P	0	88370130	0	88370130		0		0	88370130	0
Sub Total	0	88370130	0	88370130	0	0	0	0	88370130	0

**For the year 2016-17**

Name of Assets	Gross Block				Depreciation				Net Block	
	Op. bal. as on 01.04.2016	Addition	Deduction	Total	Upto 31.03.2016	During the year	Deduction during the year	Total	As on 31.03.2017	As on 31.03.2016
<b>Tangible assets</b>										
Leasehold Land	29843			29843					29843	29843
Land	3471433			3471433	0	0		0	3471433	3471433
Factory building	120705627	8010795		128716422	49125775	6802168		55927943	72788479	71579852
Furniture and fixtures	11513493	45543		11559036	9762468	505803		10268271	1290765	1751025
Plant and machinery	76495494	913015		77408509	39354425	6978966		46333391	31075118	37141069
Electrical equipment's	25144874	94940		25239814	10775514	3782469		14557983	10681831	14369360
Office equipment's	847640	13300		860940	802542	10112		812654	48286	45098
Vehicles	21463341	0	229114	21234227	16803920	1593608	201052	18196476	3037751	4659421
Computer	6388468	31600		6420068	5082013	683186		5765199	654869	1306455
Furnaces	1708349	0		1708349	1673863	0		1673863	34486	34486
Mobile phone	98859	236752		335611	58614	80259		138873	196738	40245
Effluent treatment disposal system	4091728	0		4091728	742264	606252		1348516	2743212	3349464
Sub Total	271959149	9345945	229114	281075980	134181398	21042823	201052	155023169	126052811	137777751
<b>Intangible assets</b>										
Software	826747			826747	785410	0		785410	41337	41337
Sub Total	826747	0	0	826747	785410	0	0	785410	41337	41337





	31.03.2018	31.03.2017	01.04.2016
<b>NON CURRENT INVESTMENTS</b>			
Investment in Equity Instruments			
(a) Quoted Investments	243310	941524	113069
(b) Others	30968430	30968430	36548430
	<b>31211740</b>	<b>31909954</b>	<b>36661499</b>

**DETAIL OF NON-CURRENT INVESTMENTS**

Particulars	No. of shares	Face Value	31.03.2018	31.03.2017	01.04.2016
<b>In Equity Shares - UnQuoted</b>					
BBL Beads Ltd	87500	10.00	875000	875000	875000
Banaras Bead Business Pvt. Ltd.	50000	100.00	30000000	30000000	35580000
India Exposition Mart Ltd.	9343	10.00	93430	93430	93430
<b>(I) In Equity Shares - Quoted</b>					
Pertech Computers Ltd.	600	10.00	36000	36000	36000
Elbee Services Ltd.	100	10.00	14000	14000	14000
Kabson Industries Ltd.	1300	10.00	13000	13000	13000
Bholanath International Ltd.	300	10.00	6020	6020	6020
Ideal Carpets Ltd.	300	10.00	2252	2252	2252
M.P. Telink Ltd.	500	10.00	5000	5000	5000
Rungta Irrigation Ltd.	600	10.00	36797	36797	36797
GHCL Ltd. (Previous Year 2000 shares)	0	0.00	0	570696	0
ICICI Bank Ltd (Previous Year 1000 shares)	0	0.00	0	257759	0
Benaras Hotels Ltd	100	100.00	130241	0	0
<b>Total</b>			<b>31211740</b>	<b>31909954</b>	<b>36661499</b>

Aggregate Cost of Quoted Investment-  
(Rs 243310, Previous Year 941524)  
(Market value Rs 201793 Previous Year Rs 896433)

Aggregate Cost of Un-Quoted Investment-  
(Rs 30968430, Previous Year Rs.30968430)

<b>DEFERRED TAX ASSETS</b>	<b>4</b>			
Related to Fixed Assets		0	1521971	2538768
		<b>0</b>	<b>1521971</b>	<b>2538768</b>

<b>OTHER NON-CURRENT ASSETS</b>	<b>5</b>			
Other Advances				12901438
Unsecured Security Deposits, considered goods		1049767	1046767	1038767
		<b>1049767</b>	<b>1046767</b>	<b>13940205</b>



## **INVENTORIES**

(As Taken , Valued as per policy stated in point K of Note-1 of Accounting policies and Certified by the Management,)

Raw Material	31176895	52149948	40880969
Finished Goods	101391843	55476868	95042215
Packing Material	5940010	3309068	3927655
Stores & Spares	2142087	2260010	2649023
<b>Total</b>	<b>140650835</b>	<b>113195895</b>	<b>142499862</b>

## **TRADE RECEIVABLES**

Unsecured, Considered good by the management	7886749	7155577	13422515
<b>Total</b>	<b>7886749</b>	<b>7155577</b>	<b>13422515</b>

## **CASH & CASH EQUIVALENTS**

Balance with Banks	8230531	23009663	1628438
Cash in Hand (As certified by the management)	750160	441852	1173787
<b>Total</b>	<b>8980691</b>	<b>23451515</b>	<b>2802225</b>

## **Other Bank Balances**

Fixed Deposit with Bank	75021850	97890672	96002777
Earmarked Balance With Bank ( For Unclaimed Dividend)	4117773	5424857	6491192
<b>Total</b>	<b>79139623</b>	<b>103315529</b>	<b>102493969</b>

## **LOANS**

Unsecured, Considered Good by the Management			
Loan to Related Parties	0	10868144	0
Loan to Others	3028266	44059627	29104548
	<b>3028266</b>	<b>54927771</b>	<b>29104548</b>

## **OTHER ADVANCES**

### **Unsecured, Considered Good by the Management**

(Recoverable in Cash or in Kind or value to be received)

Advance to Suppliers & Other	1723515	2261719	6519265
Export Incentive Receivables	2442846	7675838	9230672

### **Unsecured, Considered Doubtful by the Management**

Advance to Suppliers & Other (Doubtful)	1594355	1594355	1563028
<b>Total</b>	<b>5760716</b>	<b>11531912</b>	<b>17312965</b>

## **CURRENT TAX ASSETS**

Advance Payment for Taxes (Net)	8745037	2546684	11728757
	<b>8745037</b>	<b>2546684</b>	<b>11728757</b>



**OTHER CURRENT ASSETS**

**13**

Prepaid Expenses	989452	1164977	1153540
Postage Imprest	8871	8438	38759
	<b>998323</b>	<b>1173415</b>	<b>1192299</b>

**SHARE CAPITAL**

**14**

**AUTHORISED SHARE CAPITAL**

1,20,00,000 Equity Share of Rs. 10/- Each	<b>120000000</b>	<b>120000000</b>	<b>120000000</b>
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**ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL**

6636222 Equity Shares of Rs. 10/- Each Fully paid -up	66362220	66362220	66362220
Less: Unpaid Calls	223500	224000	224500
<b>Total</b>	<b>66138720</b>	<b>66138220</b>	<b>66137720</b>

	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>01.04.2016</b>
	<b>No. (%)</b>	<b>No. (%)</b>	<b>No. (%)</b>
<b>Shareholders holding more than 5% shares</b>			
Ashok Kumar Gupta	863402 (13.01)	1363402 (20.54)	1363402 (20.54)
Ashok Kumar Gupta (HUF)	544920 ( 8.21)	544920 ( 8.21)	544920 ( 8.21)
Rekha Gupta	739830 (11.15)	739830 (11.15)	739830 (11.15)
Ram Gulam Kanhaiya Lal Charitable Trust	1072000 (16.15)	1072000 (16.15)	1072000 (16.15)
Prashant Gupta/Ashok Kumar Gupta( Joint Holders)	472540 ( 7.12)	472540 ( 7.12)	472540 ( 7.12)
Vaishali Gupta	0.00	350110 ( 5.28)	350110 ( 5.28)
Shivani Gupta	350110 ( 5.28)	0	0
Siddharth Gupta	701000 ( 10.56)	201000 ( 3.03)	201000 ( 3.03)

**OTHER EQUITY**

**15**

**A. GENERAL RESERVE**

Opening Balance.	17350000	15850000	14350000
Transferred During the Year	0	1500000	1500000
<b>Sub Total</b>	<b>17350000</b>	<b>17350000</b>	<b>15850000</b>

**B. Securities Premium Reserve**

	224765500	224765500	224765500
Less : Unpaid Calls	1554900	1603900	1605700
<b>Sub Total</b>	<b>223210600</b>	<b>223161600</b>	<b>223159800</b>

**C. SURPLUS OF PROFIT & LOSS**

Balance as per Last Account	129606277	117406054	117406054
Net Profit After Tax	13828335	16688902	
Less: Transferred to General reserve	0	1500000	
Dividend Paid	6636222	0	
Tax on Dividend Paid	1350979	706625	
Taxes of Earlier Years	19200	2282054	
<b>Sub Total</b>	<b>135428211</b>	<b>129606277</b>	<b>117406054</b>
<b>Total</b>	<b>375988811</b>	<b>370117877</b>	<b>356415854</b>

**DEFERRED TAX LIABILITIES**

Related to Fixed Assets	681964	0	0
<b>Total</b>	<b>681964</b>	<b>0</b>	<b>0</b>



**Borrowings**

17

**Secured Loans from Bank-Repayable on demand**

**a) Yes Bank Packing Credit Foreign Currency Loan**  
(Secured against Fixed Deposits of the Bank)

19030200      10960554      30797000

**b) Yes Bank Over Draft a/c**

20105880

(Secured against Fixed Deposits of the Bank)

**Total**

**19030200      10960554      50902880**

**TRADE PAYABLE**

18

Trade Payable

3353740      8184766      9558556

**Total**

**3353740      8184766      9558556**

**OTHER FINANCIAL LIABILITIES**

19

Other Liabilities

2972367      3246015      4985040

Unclaimed Dividend

4117773      5424858      6491192

**Total**

**7090140      8670873      11476232**

**OTHER CURRENT LIABILITIES**

20

Advance from Customers

14742611      9803333      10289029

**14742611      9803333      10289029**

**PROVISIONS**

21

Provisions for Income Tax (Net)

0      2455340      5778052

Provisions for Gratuity

1397300      1540175      958377

**Total**

**1397300      3995515      6736429**



	2017-18	2016-17
<b><u>REVENUE FROM OPERATIONS</u></b>		
<b><u>SALES OF PRODUCTS</u></b>		
Export Sales	118913516	197495016
Domestic Sales	109415777	59431964
<b>Sub Total</b>	<b>228329293</b>	<b>256926980</b>
<b><u>OTHER OPERATING REVENUE</u></b>		
Focus /VKUY License Transfer	4301123	8557345
Export Incentive & Other Benefits	1548071	4137625
Exchange Rate Difference/Forward Contract Income	3613734	3624364
<b>Sub Total</b>	<b>9462928</b>	<b>16319334</b>
<b>Total</b>	<b>237792221</b>	<b>273246314</b>
<b><u>OTHER INCOME</u></b>		
Interest Income	7283869	9824915
Dividend	850574	873261
Net Gain on Sale of Investment	116950	766787
Profit on sale of fixed Assets	0	26938
Rent	591000	302250
Sundry balance W/Back	267275	0
Interest on Refund of Income Tax	0	1308976
Misc. Other Income	474743	91670
<b>Total</b>	<b>9584410</b>	<b>13194797</b>
<b><u>COST OF MATERIAL CONSUMED</u></b>		
<b><u>OPENING STOCK</u></b>		
Raw Material	52149948	40880969
Stores & Consumables	2260010	2649023
Packing Material	3309068	3927655
<b>Sub Total</b>	<b>57719026</b>	<b>47457647</b>
<b><u>PURCHASES</u></b>		
Raw Material	12477798	17897884
Semi-Finished Goods	128434331	83904647
Packing Material	6437613	7508736
Stores & Consumables	2818639	6113438
<b>Sub Total</b>	<b>150168381</b>	<b>115424705</b>
<b><u>CLOSING STOCK</u></b>		
Raw Material	31176895	52149948
Stores & Consumables	2142087	2260010
Packing Materials	5940010	3309068
<b>Sub Total</b>	<b>39258992</b>	<b>57719026</b>
<b>Cost of Material Consumed</b>	<b>168628415</b>	<b>105163325</b>



**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

25

**OPENING STOCK**

Finished / Semi Finished Goods	51502911	91515558
Export Merchandise in Transit	3973957	3526657
<b>Sub Total</b>	<b>55476868</b>	<b>95042215</b>

**CLOSING STOCK**

Finished / Semi Finished Goods	101391843	51502911
Export Merchandise in Transit	0	3973957
<b>Sub Total</b>	<b>101391843</b>	<b>55476868</b>

**(Increase)/Decrease**

**-45914975      39565347**

**MANUFACTURING EXPENSES**

26

Bead & Handicraft Manufacturing & Finishing Expenses	13183681	13905884
Power & Fuel	4394541	5662512
Freight, Custom Duty & Clearing Exp.	2424659	2200298
<b>Sub Total</b>	<b>20002881</b>	<b>21768694</b>

**EMPLOYEE BENEFIT EXPENSE**

27

Salaries & Wages	25141328	26908915
Bonus to Employees	3291724	2184792
Provident Fund & ESI	3498065	3416709
EDLI, Training and Gratuity	1846109	2442288
Staff Welfare Expenses	351482	722499
<b>Total</b>	<b>34128708</b>	<b>35675203</b>

**FINANCIAL COST**

28

Interest paid to bank	729681	683779
Bank Charges	26424	853631
<b>Total</b>	<b>756105</b>	<b>1537410</b>

**OTHER EXPENSES**

29

**EXPORT & SELLING EXPENSES**

Foreign Traveling Expenses	7801101	8465684
Export / Local Freight & Shipping Expenses	7237793	9358488
Trade Fair exp	2334929	1813448
Local Traveling Expenses	1039710	1060285
<b>Sub Total</b>	<b>18413533</b>	<b>20697905</b>

**REPAIR & MAINTENANCE**

Building	637290	1149253
Machinery	932307	1761637
Vehicle & Others	1237363	2208332
<b>Sub Total</b>	<b>2806960</b>	<b>5119222</b>



**ADMINISTRATIVE EXPENSES**

Insurance	946449	1370742
License & Fees	352085	172519
Membership & Subscription	40668	62148
Communication Charges	506650	522685
Conveyance Charges	30451	33973
Printing & Stationery	468073	538423
Professional & Legal Expenses	1102098	918111
Share Listing, Depository & Registrar Exp.	625490	752388
Vehicle Running & Maintenance	631535	732416
Sundry Balances Written Off	0	1294661
Director Sitting Fees	57000	46000
Postage exp.	215875	183426
Expenses on Corporate Social Responsibility	851000	0
Others	1026364	957462
<b>Payment to Auditor</b>		
As Auditor	75000	86250
For Tax/VAT Audit Fees	20000	23000
For Income Tax Related Services Fees	0	29880
For Certification / Quarterly Review Fees	30000	41400

<b>Sub Total</b>	<b>6978738</b>	<b>7765483</b>
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<b>Total</b>	<b>28199231</b>	<b>33582610</b>
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**30. Disclosure related to Provisions, Contingent Liabilities/Assets pursuant to Ind AS 37:**

- (i) Letter of credit opened with Banks : Rs. NIL (Previous year: Rs. NIL)
- (ii) Bank Guarantees outstanding : Rs. NIL (Previous Year-Rs. NIL)
- (iii) Contingent Liabilities for Taxes and Duties :

Nature of Liability	Amount in Lacs Rs.	Remarks
Income Tax for A.Y. 2015-16	1.47	Appeal filed with Commissioner appeals has been disposed off on 15.05.2018 and major disallowance has been deleted and the company is not having liabilities to pay. For part of disallowance, the company has decided to file an appeal with ITAT to get further refund.
Income Tax for A.Y. 2014-15	37.64	Demand is raised due to apparent calculation mistake in demand calculation by the department. Application for rectification of error has been filed and is pending.

**31. Disclosure of Related Party Transaction pursuant to Ind AS 24:**

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 (where ever applicable).

**Details of Transactions:**

Sl. No	Name	Nature of Relation	Nature of Transaction	31.03.2018		31.03.2017		01.04.2016
				Transaction	Outstanding	Transaction	Outstanding	Outstanding
1	Key Managerial Personnel							
	Ashok Kumar Gupta	Director (Executive)	Remuneration	2400000	0	1200000	0	0
	Siddharth Gupta	Director (Executive)	Remuneration including P.F.	1666560	0	1666560	0	0
	Shalini Chandra	Director (Executive)	Remuneration including P.F.	672000	0	672000	0	0
	Ramesh Kumar Singh	Company Secretary	Remuneration including P.F.	794880	0	735224	0	0
	Jai Singh	Chief Finance Officer	Remuneration including P.F.	493680	0	450240	0	0
2	Independent Directors							
	Ashok Kumar Kapoor	Independent Director	Sitting Fees	19000	0	17000	0	0
	Praveen Singh	Independent Director	Sitting Fees	19000	0	12000	0	0
	Tanmay Deva	Independent Director	Sitting Fees	19000	0	17000	0	0
3	Banaras Beads Exports Ltd	Shareholder	Sales	1236803	0	8958600	0	0
			Purchase	766088	0	3087500	0	0
			Interest received	114082	0	79812	0	0
			Loan realised	10868144	0	0	0	0
			Advance transaction	100000	0	0	0	0
			Sales of Share	0	0	5626500	0	0
			Temporary Loan	0	0	16000000	10868144	0
4	Banaras Glass Beads Limited	Director and shareholder	Sales	8980816	0	6488020	0	0
			Purchase	7301184	0	9253728	0	0
5	Mathur Vaishya Jan Kalyan trust	Trustee	Expenses	38970	0	44317	0	0
			CSR expenses	851000	0			0
6	BBL Beads Limited	Director and shareholder	Share Purchase	0	0	0	875000	875000
			Rent Security	0		0	450000	450000
7	Mangalam Hospitality India Limited	Director and shareholder		0	0	0	0	0
8	R.K. Impex Pvt Limited	Director		0	0	0	0	0
9	Nandi Export Pvt. Ltd	Director		0	0	0	0	0





10	Banaras Beads Business P. Ltd	Director and shareholder		0	0	0	0	0
11	Taurus Construction Pvt. Ltd.	Director		0	0	0	0	0
12	Omini Marketing Pvt. Ltd.	Director and shareholder		0	0	0	0	0
13	Industrial Auto Mobiles & Fuels Ltd.	Director and shareholder	Expenses	151200	0	43369	0	0
14	Sanwaria Trade-Link Pvt. Ltd.	Director						
15	Ram Gulam Kanhaiya Lal Charitable trust	Managing Trustee/Trustee		0	0	0	0	0
16	Kala Prakash Society		Donation	443948	0	0	0	0

32. **Expenditure on Corporate Social Responsibility:**

The company paid Rs. 8.51 lacs (previous year – nil)) during the year as expense under Corporate Social Responsibility (CSR) which is shown in note-29.

33. **Disclosure related to Lease pursuant to Ind As 17:**

The company has not given any of its assets on Lease, hence disclosure as Lessor is not required.

The company has acquired Leasehold Land from Industry Department of Uttar Pradesh Government through transfer for which Rs. 29843 is paid for premium and capitalised. No amount is payable to the Lessor.

34. **Disclosure related to Non Current Assets held for Sale pursuant to Ind As 105:**

The company is not having any non current asset for the purpose of sale and hence no disclosure is required.

35. **Disclosure related to Financial Instruments :**

The company recognized financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liability, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

i) **Foreign exchange rate risk:**

In general, the company is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, will negatively affect the Company's net sales and gross margins as expressed in Indian Rupee. There is a risk that the Company may have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

ii) **Interest rate risk:**

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. The Company's outstanding debt in local currency is on floating rate. There is a portion of debt that is linked to international interest rate benchmarks like LIBOR. Since the borrowings are small in comparison to total investments and interest expenditure is very small in comparison to total expenditure, the company does not foresee any material risk due to change in interest rate in future.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Borrowing	19030200	10960554	50902880

iii) **Liquidity risk management:**

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

iv) **Credit risk management:**

The Company's customer profile includes large number of Foreign Customers and some indigenous Customers. Hence the company is having vast customer base thus Company's customer credit risk is low. General payment terms include mobilisation advance and part is on credit to be realisable within 12 months. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

v) No material amount of financial assets or liabilities are written off during the period.

vi) The contractual maturities of significant financial assets and liabilities outstanding as at 31<sup>st</sup> March, 2018 is one year.

vii) Details related to investment in quoted equity share.

Name of Company	31.03.2018				31.03.2017			
	No. of shares	Face value	Cost	Market value	No. of shares	Face value	Cost	Market value
Pertech Computers Ltd.	600	10.00	36000	36000	600	10.00	36000	36000
Elbee Services Ltd.	100	10.00	14000	14000	100	10.00	14000	14000
Kabson Industries Ltd.	1300	10.00	13000	6721	1300	10.00	13000	6071
Bholanath International Ltd.	300	10.00	6020	6020	300	10.00	6020	6020
Ideal Carpets Ltd.	300	10.00	2252	2252	300	10.00	2252	2252
M.P.Telelink Ltd.	500	10.00	5000	5000	500	10.00	5000	5000
Rungta Irrigation Ltd.	600	10.00	36797	16800	600	10.00	36797	18090
GHCL Ltd.	0				2000	10.00	570696	531900
ICICI Bank Ltd	0				1000	2.00	257759	277100
Benaras Hotels Ltd	100	100.00	130241	115000	0		0	
<b>Total</b>			<b>243310</b>	<b>201793</b>	<b>Total</b>		<b>941524</b>	<b>896433</b>

- \* All the investments are stated in the Financial Statement at cost.
- \* Market value of shares are taken at last available rate on Stock Exchange.
- \* In respect of stock not traded on Stock Exchanges, the cost value is taken as market value.

**36. Disclosure related to Operating Segment pursuant to Ind As 108:**

The company main business is manufacturing and export of Handicrafts items like Glass and other Beads, Necklaces, Imitation Jewelry etc. All those items form just one segment. All other revenues are not significant to be considered as separate segments. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not done. The company has received more than 10% of its revenue from one customer amounting to Rs. 281.48 lacs (previous year Rs. 603.72 lacs from one customer).

**37. Disclosure related to Income Tax pursuant to Ind As 12:**

Major components of tax expenses/income as shown in Statement of Profit and Loss is as below:-

**a. Income Tax Expenses**

	<b>31.03.2018</b>	<b>31.03.2017</b>
Current tax on profits for the year	7150000	10400000
Deferred Tax	2203935	1016797
Income tax expenses recognised in profit & loss statement	<b>9353935</b>	<b>11416797</b>

**b. Reconciliation of Tax expenses and the Accounting profit multiplied by Indian tax rate:**

Profit before tax	23182270	28105699
Corporate tax rate	27.55%	31.96%
Tax on Accounting profit	6387295	8982834
<b>(i) Tax on income exempt from tax</b>		
(A) Dividend income	234354	279102
<b>(ii) Tax on expenses not tax deductible:</b>		
(A) CSR expenses	234472	0
(B) Donation (50%)	61159	799
(iii) Tax Effect of Depreciation excess claimed in books	699800	1658356
Tax Expense (Net)	7148372	10362888
Tax Expense Rounded off & recognised during the year	<b>7150000</b>	<b>10400000</b>

**c. Reconciliation of deferred tax ( assets)/liabilities:**

		(Rs. )	
Sl. No.	Particulars	2017-18	2016-17
(a)	Opening balance as at April 1	(1521971)	(2538768)
(b)	Tax (Income)/expense during the period recognized in:		
	(i) Statement of Profit and Loss in Profit or Loss section	2203935	1016797
	(ii) Statement of Profit and Loss under OCI section	0	0
	(iii) Retained earning	0	0
	Closing balance as at March 31	681964	(1521971)

**38. Disclosure related to Employees Benefit pursuant to Ind As 19:**

- (i) Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia scheme, performance-linked reward falling due to wholly within twelve month of rendering services are recognized in the period in which the employee renders the related services.
- (ii) 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 amounting to Rs. 1397300 is provided for by the Company as gratuity liability as on reporting date.

39. **Earnings per share:**

Basic and diluted earnings per share pursuant to Ind As 33 are calculated by dividing 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.

	<b>2017-2018</b>	<b>2016-2017</b>
Net Profit attributable to shareholders (Rs.) :	13828335	16688902
Weighted average numbers of equity shares :	6636222	6636222
Basic earnings per share of Rs. 10/- each (Rs.) :	2.08	2.51

40. **Separate Financial Statements:**

The company is not having any Subsidiary Company, Joint Venture Company and associates and hence no separate disclosure pursuant to Ind AS 27 is made.

41. **Disclosure pursuant to Ind AS 101 First Time Adoption of Indian Accounting Standards :**

- For Transition to Ins AS, the company has elected to adopt as deemed cost, the carrying value of Property, Plant and Equipment (PPE) measured as per I-GAAP less accumulated depreciation on the transition date of April 1, 2016.
- Deferred tax under Ind AS has been recognized on temporary difference between the carrying amount of assets and liabilities in the Company's Financial Statements and the corresponding tax bases used in computation of taxable profit and quantify using the tax rate and laws enacted or substantively enacted as on the balance sheet date. Under I-GAAP the deferred tax was accounted for based on timing differences impacting the Statement of Profit and Loss for the period.
- Under Ind AS the final dividend including related tax is recognized in the period in which the obligation to pay is established on its approval, post reporting of financial statements. Under I-GAAP a provision was required to be made in the financial statements for the proposed final dividend in the period to which the liability related.
- Effect of Ind AS adoption on Balance Sheet as at April 1, 2016.

Particulars	I-GAAP	Ind AS Adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	137777751	0	137777751
(b) Capital work-in-progress			
(c ) Other intangible assets	41337		41337
(d) Financial assets			
(i) Investments	36661499		36661499
(e) Deferred tax assets (net)	2538768		2538768
(f) Other non-current assets	12901438	1038767	13940205
Branch Balance			
<b>Current assets</b>			
(a) Inventories	142499862		142499862
(b) Financial assets			
(i) Trade receivables	13422515		13422515
(ii) Cash and cash equivalents	2840984	-38759	2802225
(iii) Other Bank Balance	102493969		102493969
(iv) Loans	29104548		29104548
(v) Other Advances	17312965		17312965
(c) Current Tax Assets (Net)	25050705	-13321948	11728757
(d) Other current assets	2192307	-1000008	1192299
<b>TOTAL - ASSETS</b>	<b>524838648</b>	<b>-13321948</b>	<b>511516700</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	66137720		66137720
(b) Other equity	355709229	706625	356415854
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax Liabilities (Net)	0		0
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	50902880		50902880
(ii) Trade Payable	9558556		9558556
(iii) Other financial liabilities		11476232	11476232
(b) Other current liabilities	22723638	-12434609	10289029



(c )Provisions	19806625	-13070196	6736429
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>524838648</b>	<b>-13321948</b>	<b>511516700</b>

e. Effect of Ind AS adoption on Balance Sheet as at March 31, 2017

Particulars	I-GAAP	Ind AS Adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	126052811		126052811
(b) Capital work-in-progress			
(c ) Other intangible assets	41337		41337
(d) Financial assets			
(i) Investments	31909954		31909954
(e) Deferred tax assets (net)	1521971		1521971
(f) Other non-current assets	0	1046767	1046767
Branch Balance			
<b>Current assets</b>			
(a) Inventories	113195895		113195895
(b) Financial assets			
(i) Trade receivables	7155577		7155577
(ii) Cash and cash equivalents	23459953	-8438	23451515
(iii) Other Bank Balance	103315529		103315529
(iv) Loans	54927771		54927771
(v) Other Advances	11531912		11531912
(c) Current Tax Assets (Net)	10491345	-7944660	2546684
(d) Other current assets	2511744	-1038329	1173415
<b>TOTAL - ASSETS</b>	<b>485815798</b>	<b>-7944660</b>	<b>477871138</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	66138220		66138220
(b) Other equity	362130676	7987201	370117877
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax Liabilities (Net)	0		0
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10960554		10960554
(ii) Trade Payable	8184766		8184766
(iii) Other financial liabilities	10211048	-1540175	8670873
(b) Other current liabilities	9803333		9803333
(c )Provisions	18387201	-14391686	3995515
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>485815798</b>	<b>-7944660</b>	<b>477871138</b>

f. Reconciliation between Financial Results as previously reported under previous GAAP and IND AS for the year 2016-17- (Rs. In lacs).

Net Profit under previous GAAP	166.89
Net Profit under IND AS	166.89

g. Reconciliation of Equity as previously reported under previous GAAP and IND AS (Rs. In lacs)

Particulars	31.03.2017	01.04.2016
<b>i) Equity</b>		
Equity as per previous GAAP	661.38	661.38
Equity as per IND AS	661.38	661.38
<b>ii) Other Equity</b>		
Other Equity as per previous GAAP	3621.31	3557.09
Proposed Dividend and related distribution Tax	79.87	7.07
Other Equity as per IND AS	3701.18	3564.16
<b>Total Equity and Other Equity as per IND AS</b>	<b>4362.56</b>	<b>4225.54</b>

h. The company is not having any Subsidiary Company, Joint Venture Company and associates and hence no separate disclosure pursuant to Ind AS 27 is made.

42. **Remuneration to Directors and Key Managerial Personnel :**

	Current Year (Rs.)	Previous Year (Rs.)
<b>A. Chairman &amp; Managing Director (Ashok Kumar Gupta)</b>		
Salaries	2400000	1200000
Contribution to Provident Fund	0	0
<b>B. CEO &amp; Managing Director (Siddharth Gupta)</b>		



Salaries	1488000	1488000
Contribution to Provident Fund	178560	178560
C. Executive Director (Shalini Chandra)		
Salaries	600000	600000
Contribution to Provident Fund	72000	72000
D. Chief Finance Officer (Jai Singh)		
Salaries	444000	402000
Contribution to Provident Fund	49680	48240
E. Company secretary (R.K. Singh)		
Salaries & Allowances	720000	666200
Contribution to Provident Fund	74880	69024
43. The export sales include Goods dispatched but under shipment upto 31.3.2018 amounting to Rs. 620847. Prior to introduction of Goods & Service Tax Act Goods under shipment was not treated as Export (Sale), but as per requirement of Goods & Service Tax Act this change in accounting principle was made. However there is no impact on profitability of the company due to this change.		
44. Amount of closing balance as per bank in dedicated dividend payable account has been taken as unclaimed dividend of Rs. 4117773 (previous year Rs. 5424858). The amount does not include amount of demand drafts issued but not en cashed by the shareholders.		
45. Rs.1594355 paid to suppliers as advance has been shown as doubtful assets. No provision against the outstanding is made as in the opinion of the management, amount will be recovered in full.		
46. 2.51 Hectare land of the company situated at Village Karna Dandi and Bairion, near Tandia, Varanasi have been acquired by Varanasi Development Authorities in Transport Nagar Scheme and the company has challenged the Acquisition order before Hon'able Allahabad High Court and Status Quo has been ordered by the Hon'able High Court. The company is still in possession of the land.		
47. <b>SETTLEMENT OF MANAGEMENT DISPUTES:</b> The Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order dt. 04.07.2007 and 03.08.2007 in the matter of C.P. No. 14/99, CP No. 14/111/1999, 15/111/1999 and 1/111/2001. The said SLP finally has been decided by Hon'ble Supreme Court on 11.04.2018. The Hon'ble Supreme Court has dismissed the appeals filed by Mr. Ajit Kumar Gupta and others group of small shareholders without any direction, the content of said order is as under-		
<b>ORDER</b>		
<i>"We have heard learned council for the parties and perused the record. We do not find any merit in these appeals which are here by dismissed."</i>		
By said order of Supreme Court, the two decade old disputes between the management has finally legally resolved. There is no financial impact of said present order of Hon'ble Supreme Court to the company.		
48. <b>MISCELLANEOUS NOTES ON ACCOUNTS:</b>		
i)	There are no small scale industrial undertakings ( who has informed there SME status to the company) to whom the Company owes a sum exceeding Rs. one lac which is outstanding for more than 30 days during the year.	
ii)	The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Ind AS -2 pertaining to valuation of inventories.	
iii)	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.	
iv)	Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.	
v)	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.	
vi)	The Calls in arrears of Share Capital amounting to Rs.223500 and of Share Premium amounting to Rs. 1554900 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.	
vii)	Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.	

\*\*\*\*\*



**Shareholders holding shares in Physical mode are requested to submit given below nomination form (in duplicate), duly filled and signed after attaching the required documents to RTA-**

#### NOMINATION FORM

*[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]*

To  
M/s Mas Services Ltd,  
(Unit of Banaras Beads Limited)  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II,  
New Delhi - 110 020  
Ph: - 26387281/82/83 Fax:- 26387384

I/We .....the holder(s) of the.....Shares against Folio No.....bearing share certificate no.....and having distinctive nos. from.....to..... wish to make nomination and do hereby nominate the persons whose details are as under in whom shall vest all my/our rights in respect of the aforesaid shares in the event securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

My email address is .....  
My contact no. is ..... my active bank account particulars is as per the copy of the unsigned cheque leaf attached and I am attaching the self-attested copy (ies) of My/our Pan Card.

#### Name, address and signatures of the shareholder(s)

- 1
- 2
- 3

#### Name, address, signature and contact number of the Witness

- 1
- 2

#### PARTICULARS OF NOMINEE

Name	
Date of Birth	
Father/Mother/Spouse Name	
Occupation	
Nationality	
Address of the Nominee	
Email ID of the Nominee	
Relationship with the shareholder	
<b>Applicable only if the Nominee is minor</b>	
Date of attending majority	
Name of the Guardian	
Address of the Guardian	
Email Id of the Guardian	
Contact details of the Guardian	



**Shareholders holding shares in Physical form and not updated bank account detail to the RTA of the company requested, they are requested to submit given below bank updation form, duly filled and signed after attaching the required documents to RTA-**

.....

**Mandate for electronic Communication and Direct Credit of dividend in Bank account**

I/We .....hereby authorise you to update the following e-mail ID/Contact details/Bank Account details for receipt of communication in electronic mode and for crediting the dividend amount directly in my Bank account.

E-mail ID : .....

1. Folio No. : .....

2. Name of the Bank : .....

3. Name of the Branch : .....

4. Account No. : .....

5. Account Type (Saving/Current) : .....

6. 9 digit Code No. : .....

7. 11 digit IFSC Code : .....

8. My Mobile No. ....

I/We shall inform to the Registrar of the Company M/s Mas Services Ltd. as and when any changes in my e-mail or bank detail. I/we are enclosing the cancel cheque and self-attested copy of my PAN.

Mail to RTA of the Company:

**(signature of the shareholder)**

To  
M/s Mas Services Ltd,  
(Unit of Banaras Beads Limited)  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II,  
New Delhi - 110 020  
Ph: - 26387281/82/83 Fax:- 26387384  
E-mail- info@masserv.com



**BANARAS BEADS LIMITED**

**REGISTERED OFFICE: A-1, INDUSTRIAL ESTATE VARANASI - 221 106**

**CIN NO. L01131UP1980PLC004984**

**Tel.# : 0542-2370161-2370164 Fax.# : 0542-2370165**

**E-mail [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com), Website: [www.banarasbead.com](http://www.banarasbead.com)**

**ATTENDANCE SLIP**  
(To be presented at the entrance)

**38<sup>th</sup> ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 16, 2018 AT 3.00 P.M. AT A-1, INDUSTRIAL ESTATE, VARANASI - 221 106**

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the

Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

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

**BANARAS BEADS LIMITED**

**REGISTERED OFFICE : A-1, INDUSTRIAL ESTATE VARANASI - 221 106**

**CIN NO. L01131UP1980PLC004984**

**Tel.# : 0542-2370161-2370164 Fax.# : 0542-2370165**

**E-mail [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com), Website: [www.banarasbead.com](http://www.banarasbead.com)**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No. / Client ID No. : ..... DP ID No. ....

I / We, being the member(s) of ..... Shares of Banaras Beads Limited, hereby appoint

1. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or failing him

2. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or failing him

3. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the thirty eight Annual General Meeting of the Company to be held on Thursday, August 16, 2018 at 3.00 p.m. at A-1, Industrial Estate, Varanasi-221106 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.

2. To appoint a director in place of Shri Ashok Kumar Gupta (DIN No. 00016661), who retires by rotation and being eligible, offers herself for re-appointment as director.

3. Re-appointment of Auditors.

Special resolution:

4. Re-appointment of Mr. Ashok Kumar Gupta (DIN: 00016661) as Managing Director

Signed this ..... day of ..... 2018

Signature of shareholder..... Signature of Proxy holder(s).....

**NOTES: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at A-1, Industrial Estate, Varanasi -221106, not less than 48 hours before the commencement of the Meeting.**

**2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.**

**Affix One  
Rupee  
Revenue  
Stamp**



## BOOK-POST

To,

If undelivered please return to :

**BANARAS BEADS LIMITED**  
(AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA)

A-1, Industrial Estate, Varanasi - 221106 (U.P.) India  
Phones : 0542-2370161-64 (4 Lines)

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A-1, Industrial Estate, Varanasi - 221106 (INDIA)

Phone : +91-542-2370161-4 (4 Lines) Fax : +91-542-2370165, 2370214 Email : [info@banarasbead.com](mailto:info@banarasbead.com)

Website : [www.banarasbead.com](http://www.banarasbead.com)