

**BOARD OF DIRECTORS**

Ashok Kumar Gupta : Chairman & Managing Director  
Siddharth Gupta : 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**

R.K. Singh

**REGISTERED OFFICE**

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

Kamal Kishore & Co.  
Chartered Accountants,  
Varanasi

**UNITS**

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

**BANKERS**

Bank of Baroda  
Kotak Mahindra Bank Ltd.

**REGISTRAR & SHARE TRANSFER AGENTS****Mas Services Limited**

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

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

CONTENTS:	PAGE NO.
NOTICE .....	02
DIRECTOR'S REPORT ...	04
MANAGEMENT DISCUSSION ANALYSIS....	06
CORPORATE GOVERNANCE .....	07
CEO / CFO CERTIFICATE .....	10
AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE. ...	11
AUDITORS' REPORT .....	12
BALANCE SHEET .....	15
PROFIT & LOSS A/C. ....	16
CASH FLOW STATEMENT .....	17
SCHEDULES .....	18
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS PROXY FORM .....	25
ADDRESS, E-MAIL AND BANK ACCOUNT UPDATION FORM	



**NOTICE**

**NOTICE** is hereby given that 31<sup>st</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 4th August, 2011 at 3.00 P.M. to transact the following **Ordinary Business**:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Praveen Singh, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General meeting, until the conclusion of the next annual General Meeting and to fix their remuneration.

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

Place : VARANASI  
Date : 01. 07. 2011

**(R.K.SINGH)**  
Company Secretary

**NOTES:**

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

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

2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 22<sup>nd</sup> July, 2011 to Thursday, the 4<sup>th</sup> August, 2011 (both days inclusive).
3. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
4. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip and proxy form for attending the Meeting.
5. The INE number of the company is 655B01011. The members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. They may dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

**M/s Mas Services Limited**

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

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

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

6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, M/s Mas Services Limited . Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to **transfer agent or company**.
7. The members holding shares in physical form are requested to send their phone, fax, E-mail and Bank account detail in enclosed format to the company directly by post at Registered office of the company / **E-mail- [investor@bblinvestor.com](mailto:investor@bblinvestor.com) OR [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com)** or to the above registrar for better communication and also notify the changes in their address, if any, immediately to the Registrar.



8. The Ministry of Corporate Affairs (Vide circular nos. 17/2011 and 18/2011 dated April 21 and 29, 2011) has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses in enclosed format, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form **with above transfer Agent or company.**

9. Detail of Director Shri Praveen Singh, who retires by rotation and seeking re-appointment (In pursuance of Clause 49 of listing agreement)

Name	:	<b>Shri Praveen Singh</b>
Fathers name	:	Late <b>Kunwar Parmanad Prasad Singh</b>
Date of Birth	:	<b>05.03.1961</b>
Nationality	:	<b>Indian</b>
Qualifications	:	<b>Chartered Accountant and having vast experience in finance and accounts.</b>
Date of appointment on the board	:	<b>07.11.1998</b>
List of directorship held in other Company(s)	:	<b>Nil</b>
<b>Chairmanship/membership of Committees in Public Companies</b>		i) Chairman Investor Grievance Committee of Banaras Beads Ltd. ii) Member Shareholders/Audit Committee of Banaras Beads Ltd.

**EXPERIENCE:**

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

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

Place : VARANASI  
Date : 01. 07. 2011

**(R.K.SINGH)**  
Company Secretary

**DIRECTORS REPORT****Dear Shareholders,**

Your Directors are pleased to present the **31<sup>st</sup> Annual Reports** together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March' 2011.

**FINANCIAL RESULTS:**

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
TOTAL TURNOVER	3518.33	3327.32
Net Profit Before Taxation	555.46	467.89
Provision for Taxation	60.31	13.60
Net Profit after taxation	495.15	454.28
Balance of Profit & Loss Account B/F	327.33	-92.03
Deferred Tax Adjustment	-185.93	-34.92
Balance of Profit & Loss Account C/F	636.55	327.33

**APPROPRIATIONS:**

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- That in preparation of Annual Accounts for the F.Y. ended on 31.03.2011, the applicable accounting standards have been followed ;
- That the directors selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss Accounts of the Company.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- That the Directors have prepared the Annual Accounts on a "going concern" basis.

**OPERATION:**

During the year the turnover of the Company has been increased by 5.74 % besides facing all adverse situation.

**DIVIDENDS :**

No dividend has been recommended for the year.

**SETTLEMENT OF MANAGEMENT DISPUTES:**

As already reported that the decade old disputes between the two Groups of Shareholders namely Raj Kumar Gupta Group and Ashok Kumar Gupta Group stands resolved by order dated 04.07.2007 read with order dated 03.08.2007 passed by the Hon'ble Company Law Board in C.P. No. 14/99. The directions given by the CLB vide the aforesaid two orders were implemented and communicated to the Shareholders as part of Annual Report forming part of published Accounts for the F.Y.2006-2007 and onwards. However in this regard the Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others is still pending before Hon'ble Supreme Court for appropriate order.

**DIRECTORS:**

Shri Praveen Singh retires from Board of Directors by rotation in accordance with the provisions of the Companies Act and being eligible, offers himself for re-appointment.

**RE-APPOINTMENT OF AUDITORS:**

M/s Kamal Kishore & Co., Chartered Accountants, the Auditors of the Company, who hold office upto the conclusion of the Annual General Meeting, are eligible for re-appointment and have expressed their willingness to be re-appointed as Auditors of the Company. M/s Kamal Kishore & Co., Chartered Accountants have under Section 224(1) of the Companies Act, 1956 furnished a Certificate of their eligibility for re-appointment and they hold valid certificate of having Peer Reviewed of their firm.

**PARTICULARS OF EMPLOYEES:**

The company did not have any employee covered by the provisions of Section 217(2A) of the Companies Act' 1956, read with Companies (Particulars of Employee) Rules 1975 for F.Y. 2010-2011.

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

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



a) **Conservation of Energy :**

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

b) **Technological Absorption:**

The Company has its own technological inputs for its products, developed in house with the efforts of experienced staffs and the same have been upgraded from time to time. However presently company has no collaboration arrangement with any foreign organization.

c) **Foreign Exchange Earning and Outgo:**

The foreign exchange earnings of the Company during the financial year has been Rs 3292.16 lacs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 351.35 lacs for the import of materials, foreign traveling expenses and other sales promotional activities.

**CORPORATE GOVERNANCE:**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance has been setup, which is ensuring proper implementations of the relevant requirements. A report on Corporate Governance and a certificate from the Auditors confirming compliance is part of this Report.

**AWARDS / RECOGNITIONS :**

The company has received a Special Export Award from CAPEXIL on 4<sup>th</sup> March, 2011 for SSI Sector in recognition of Export achievement in respect of Glass Beads & False Pearls for the year 2009-2010.

By EPCH Lifetime achievement award to the Chairman & Managing Director of the company for outstanding contribution to the promotion of fashion jewelry accessories. Udayami Samman – 2010 by Zee News Uttar Pradesh.

**FIXED DEPOSITS :**

The Company has not accepted any fixed deposits during the year.

**REVOCAION OF SUSPENSION OF TRADING:**

After long persuasion with the Bombay Stock Exchange, the BSE has agreed in principle to revoke the suspension of trading wide their letter dated 28.3.2011 subject to fulfillment of certain conditions. All the requirements of BSE has been complied by the company by 20.4.2011 and now final order for revocation is awaited. However the revocation of suspension of trading with National Stock Exchange is still under process.

**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 : 01.07.2011

**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**

**MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW****INDUSTRIAL STRUCTURE AND DEVELOPMENT:****OPPORTUNITIES & THREATS:**

The 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. The Company has built its credibility and reputation in international market by providing better quality's Glass beads and fashion jewelry on competitive price and within committed period.

In indigenous market company is doing business under the Trade name and style De-Lemon unit of Banaras Beads Ltd. through Retail Counters, Shop, Stores, Franchise and others under arrangement / agreement with various parties and Retail Stores like Sahara Mall, Odyssey, Big Bazar, Pantaloon, V-mart, Salasar ( Mayagitanjali) etc. There are opportunities for doing more business in this line. But the China has 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 the price under pressure and to offers to sell its products at unremunerative prices. The fluctuation in rate of foreign currency will also affect our business and profit. The management is aware about this situation and has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reducing and widen its marketing net work.

**SEGMENT:**

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

**FINANCIAL / OPERATIONAL PERFORMANCE:**

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>(Rs. In lacs)</b>	<b>(Rs. In lacs)</b>
TOTAL TURNOVER	3518.33	3327.32
Net Profit Before Taxation	555.46	467.89
Provision for Taxation	60.31	13.60
Net Profit after taxation	495.15	454.28
Balance of Profit & Loss Account B/F	327.33	-92.03
Deferred Tax Adjustment	-185.93	-34.92
Balance of Profit & Loss Account C/F	636.55	327.33

**APPROPRIATIONS:**

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

**OUTLOOK :**

The prospects of your Company is bright and in years to come the demand of products of your company i.e. Glass Beads and fashionable jewelry will increase in international and indigenous market. The management has made plans to increase turnover in indigenous market and has started Retail Business under the Trade name and style **De-Lemon** through Retail Counters, Shop, Stores, Franchise and in any other modes.

**RISK & CONCERNS:**

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

**INTERNAL CONTROL SYSTEMS:**

Te Company is having an adequate internal control system covering all areas of operations. There is proper safeguard of assets through internal control system, which prevents any wastage, loss and unauthorized use of any assets.

**HUMAN RESOURCES & INDUSTRIAL RELATIONS:**

The Industrial Relations were very cordial through out the year. Measures for safety of employees, training, welfare and development continued to receive top priorities.

**For BANARAS BEADS LTD.,**

Place : VARANASI  
Date : 01. 07. 2011

**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**

**CORPORATE GOVERNANCE**

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

**1. COMPANY'S PHILOSOPHY:**

The Company has a strong legacy of fair, transparent and ethical governance practices to maintain high level of transparency and accountability in it's all area of functioning and relationship with suppliers, buyers, employees, bankers and proper regulatory compliances.

**2. BOARD OF DIRECTORS:**

The Board of Directors comprises of five Members with two executive and three independent directors. The directors are responsible for Management of the Company's business. 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	2	2	1
3. Shri Praveen Singh	Non-Executive and Independent Director	NIL	2	1
4. Shri Tanmay Deva	Non-Executive and Independent Director	1	2	NIL
5. Shri Siddharth Gupta	Executive Director	3	NIL	NIL

**3. NUMBERS OF BOARD MEETING HELD:**

Five Board Meetings were held during the F.Y. on 26<sup>th</sup> April' 2010, 8<sup>TH</sup> July,2010, 29<sup>th</sup> July, 2010, 28<sup>th</sup> October, 2010, & 25<sup>th</sup> January, 2011.

**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	5	Yes
2. Shri Ashok Kumar Kapoor	5	Yes
3. Shri Praveen Singh	5	Yes
4. Shri Tanmay Deva	5	Yes
5. Siddharth Gupta	3	Yes

**5. CODE OF CONDUCT :**

The Board has adopted a Code of Conduct for its members, 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, 2011 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 COMMITTEE:**

In terms of the provisions of Sec. 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company constituted an Audit Committee, comprising of three Non-Executive Directors viz. Shri Ashok Kumar Kapoor, Chairman, Shri Praveen Singh and Shri Tanmay Deva as its Members. The Company Secretary acts as Secretary to the Committee.

The meetings of the Audit Committee were held 26<sup>th</sup> April' 2010, 8<sup>TH</sup> July 2010, 29<sup>th</sup> July, 2010, 28<sup>th</sup> October, 2010 & 25<sup>th</sup> January, 2011 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2010-2011. All the members of the committee were present at the said meetings.

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

**7. REMUNERATION COMMITTEE:**

The all decisions regarding the remuneration of executive and non-executive directors are taken by the entire board of directors of the Company. The Board does not have a Remuneration Committee. No remuneration is paid to Non-executive and independent Directors. The Aggregate value of salary and perquisites paid for the year ended on 31<sup>st</sup> March' 2011 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.1545000/-. Mr. Siddharth Gupta had been appointed as Whole Time Director (Executive Director) on 08.07. 2010 and the aggregate value of salary and perquisites paid for the period ended on 31<sup>st</sup> March' 2011 to him is Rs. 983111/-.

**8. COMMITTEE FOR THE SHAREHOLDERS:**

a) **SHARE TRANSFER COMMITTEE:**

The Committee met ten times during the year 2010-2011 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	Transmission	For Demat	For Remat
Number of shares	1250	0	1270	110

No. of shares accepted	1350	0	16770	110
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	0	0

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

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor 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 26<sup>th</sup> April 2010, 29<sup>TH</sup> July 2010, 28<sup>th</sup> October, 2010 & 25<sup>th</sup> January, 2011.

c) **COMPLIANCE OFFICER :**

The Board has designated Shri R.K. Singh, Company Secretary as the Compliance officer. The investors may lodge their query, requests/complaints either with the Registrar or with 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)

OR

**Banaras Beads Limited,**  
A-1, Industrial Estate, Varanasi – 221 106. 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 2010-2011, is as follows:-

The Company has made policy to resolve / redress the complaint within 10 days. But during the year no complaint received regarding non demat/ transfer of shares. However Other more than 300 queries / phone calls received from members in respect of re-listing of share of company with BSE and NSE. The same have been replied timely. No complaint / query is pending for reply / redressal.

9. **GENERAL BODY MEETINGS:**

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

Year	Location	Date	Time	Special resolutions passed
2007-2008	A-1, Industrial Estate, Varanasi	25.09.2008	3.00 P.M.	No special resolution passed
2008-2009	-Do-	27.08.2009	3.00 P.M.	No special resolution passed
2009-2010	-Do-	05.08.2010	3.00P.M.	No special resolution passed

**Postal ballots :** For the year ended on 31<sup>st</sup> March' 2011 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.

10. **OTHER DISCLOSURES:**

- a) None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.3 of Schedule 19 to the Accounts in the Annual Report.
- b) The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year. The National Stock Exchange & Mumbai Stock Exchange has suspended the shares of the Company w.e.f. 21.02.2001 and 17.02.2003 respectively, due to non-compliance of Clause 41 of the Listing Agreements on that time. Now Company is complying all the directives and have made request with both the stock exchanges to withdraw the suspension. The BSE has revoked suspension in principal

**MEANS OF COMMUNICATION:**

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

11 (i) **SHAREHOLDERS INFORMATION:**

- |  |              |   |
|--|--------------|---|
| 1. <b>Annual General Meeting</b>       | <b>Date</b>  | : 04.08.2011,   |
|  | <b>Time</b>  | : 3:00 P.M  |
|  | <b>Venue</b> | : A-1, Industrial Estate, Varanasi  |
| 2. <b>Financial Calendar 2010-2011</b> |              | : <b>(F.Y. 01/04/2010 to 31/03/2011)</b>  |
| 3. <b>Dates of Books Closure</b>       |              | : From 22 <sup>nd</sup> July, 2011 to Thursday, the 4 <sup>th</sup> August, 2011 (both days inclusive)      |
| 4. <b>Dividend payment</b>             |              | : NIL   |
| 5. <b>Listing on Stock Exchanges</b>   |              | : U.P. Stock Exchange, Kanpur<br>Bombay Stock Exchange- (Suspended)<br>National Stock Exchange -(Suspended) |





7. **Stock Code with BSE** : 526849
8. **Demat ISIN Number in NSDL** : INE655B01011
9. **Registered Office** : A-1, Industrial Estate, Varanasi
10. **Location of the Plant** : A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi
11. **Registrars for share transfer and demat purposes** : **Mas Services Limited**  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020  
Ph:- 26387281/82/83 Fax:- 26387384  
email:- [info@masserv.com](mailto:info@masserv.com) website : [www.masserv.com](http://www.masserv.com)
12. **Shareholders' Correspondence** : Share Transfer in physical form and all other correspondence / communications regarding Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case any problem shareholder(s) may write to the company.
13. **Compliance Officer** : Sri R.K. Singh, Company Secretary
14. **Designated Exclusive E-mail for investor service and Website** : [investor@bblinvestor.com](mailto:investor@bblinvestor.com) or [www.bblinvestor.com](http://www.bblinvestor.com)

The company has requested Ahmadabad Stock Exchange, Kolkata Stock Exchange & Delhi Stock Exchange to de-list our shares as the same are not being traded at there.

**11(ii) SHARE TRANSFER SYSTEM:**

The company has appointed M/s Mas Services Ltd., New Delhi as the Registrar and Transfer Agent for recording the shareholders' requests, resolution of investors' grievances, amongst other activities connected with the change of address, transfer/transmission of shares, change of mandate etc.. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The C & M D, the Company Secretary and Manager (Accounts) are severally empowered to approve transfers.

**11(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>st</sup> MARCH' 2011:**

Particular	No. of Shareholder	% of share holders	Number of Share held	% of share holders
001 – 500	6698	96.01	760181	11.45
501 – 1000	160	2.29	106919	1.61
1001 – 2000	43	0.62	61110	0.92
2001 – 3000	21	0.30	52000	0.78
3001 – 4000	15	0.22	50580	0.76
4001 – 5000	8	0.11	35520	0.54
5001 – 10000	13	0.19	85970	1.30
10001 – above	18	0.26	5483942	82.64
	<b>6976</b>	<b>100.00</b>	<b>6636222</b>	<b>100.00</b>

**11(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2011:**

The category wise share holding of Members of the Company as on 31.03.2011 is as under -

Category	No. of Shares Held	% of the Shares held
1- a) Promoters / Associates / Directors	3840122	57.87
b) Non Promoters and Independent Directors	1400	0.02
2- Other Bodies Corporate / Mutual Fund	231776	3.49
3- Financial Institution / Bank	82790	1.25
3- Trust	1072000	16.15
4- NRI	NIL	NIL
5- Indian Public	1408134	21.22
<b>Total -</b>	<b>6636222</b>	<b>100.00</b>

**11(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, 2011 total number of 813111 equity shares representing 12.25 % of the Equity Share Capital have been dematerialized.

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

11(vii) **Non-mandatory requirements** – Not adopted.

**12. CEO / CFO CERTIFICATION –**

CEO / CFO Certificate in Compliance to Clause 49 of Listing Agreement is enclosed in respect of the financial year 2010-2011.

**For BANARAS BEADS LTD.**



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

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2011.

**For Banaras Beads Limited**

Place: Varanasi  
Date : 01.07.2011

**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**

**CEO / CFO CERTIFICATE**

To,  
The Board of Directors,  
Banaras Beads Limited  
Varanasi

We, Ashok Kumar Gupta Chairman and Managing Director (CEO) of Banaras Beads Limited to the best of our knowledge and belief, certify that:

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

**For BANARAS BEADS LTD.**

Place : VARANASI  
Date : 01.07.2011

**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**



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

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

To,  
The Members  
Banaras Beads Ltd.

We have examined the compliance of conditions of Corporate Governance by Banaras Beads Limited, for the 31<sup>st</sup> March' 2011 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and accordingly to the explanations given to us and representation made by the directors and the Management, we certify that the Company has complied with condition of Corporate Governance as stipulated in Clause 49 of the Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place : Varanasi.  
Date : 01. 07. 2011**

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



**REPORT OF THE AUDITORS**

**TO THE SHAREHOLDERS OF BANARAS BEADS LIMITED**

To  
The Members,  
Banaras Beads Limited,

1. We have audited the attached Balance Sheet of BANARAS BEADS LIMITED, as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion of these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Reports) Order, 2003 as amended, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of checks of the books and records of the Company as we considered appropriate and the information and the explanations given to us during the course of audit, a statement on the matters specified in paragraphs 4 and 5 of the said order is annexed.
4. Further to our comments in the Annexure referred to above we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
  - (c) The Balance sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - (i) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011; and
    - (ii) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date.
    - (iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

**Place: Varanasi.**  
Date: 01.07.2011

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

ANNEXURE TO AUDITORS' REPORT

**ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS OF BANARAS BEADS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All the fixed assets have been physically verified by the management at reasonable intervals. We are informed that discrepancies noticed on such verification will be dealt with in the books of accounts as and when records are updated.  
(c) There was no disposal of a substantial part of fixed assets.
2. (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) In our opinion and according to the information and explanation given to us, and on the basis of our examination of records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. (a) According to the information and explanations given to us, the Company had not granted any unsecured loans to the parties covered in the register maintained under Section 301 of the Companies act, 1956.  
(b) Since no amount is due to the company, there is no need to comment upon the rate of interest and other terms & conditions of the loans.  
(c) Since no amount is due to the company, there is no need to comment upon the terms of repayment of loans.  
(d) Since no amount is due to the company, there is no need to express our opinion on whether there is any amount overdue above Rupees one Lakh and whether reasonable steps needs to be taken for recovery of principal and interest.  
(e) The Company has not taken loans, secured or unsecured from parties covered in the register maintained under section 301 of the Companies act, 1956, hence sub clause (e) , (f) and (g) of clause 4 (iii) of the Orders are not applicable.
4. On the basis of our evaluation of internal control systems and according to the information and explanations given to us, we are of the opinion that internal control systems with respect to the purchase of inventory and fixed assets and sale of goods and services need to be further improved to make it commensurate with the size of the company and nature of its business.
5. In respect of the transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
  - (a) Based on audit procedures applied by us, the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
  - (b) *As regards transactions exceeding value of Rupees five lakhs entered into during the financial year, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time, because of the specialized nature of the items involved and absence of any comparable prices.*
6. The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed there under.
7. The Company has an internal audit system commensurate with the size and nature of the Company's business but in our opinion its scope and coverage requires to be further strengthened.
8. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Therefore, the provisions of clause (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
9. (a) In our opinion and according to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax ( Trade Tax, VAT), Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities. Further the Central Government has till date not prescribed the amount of Cash payable under Section 441A of the Companies Act. We are not in a position to comment upon the regularity or otherwise of the company in depositing the same.  
(b) According to the information and explanations given to us there are no cases of non-deposit with the appropriate authorities of un disputed dues of sales tax/service tax/customs duty/ wealth tax/ excise duty/ Cess.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, paragraph 4 (x) of the Order is not applicable.
11. In our opinion and according to the information and explanations given to us, the Company has taken only Working Capital Loans from bank repayable on demand and have not defaulted in repayment of dues to the bank. The company does not have any borrowing from financial institutions and has not issued debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to Company, therefore, the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



14. The company has maintained proper records for the transactions and contracts for dealing in or trading in shares, securities, debentures, or other investments and timely updation has been made in the records. All the investments have been held by the company in its own name.
15. As per information available to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan from any financial institutions.
17. According to the records examined by us and according to information and explanations given to us, on an overall basis, no funds raised on short term basis have been used for long term investment.
18. The Company has not made during the year any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any monies by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or Reported during the financial year.

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

Place: Varanasi.  
Date : 01. 07. 2011

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



**BANARAS BEADS LIMITED**  
**BALANCE SHEET AS ON 31.3.2011**

	SCH	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>I.SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUND</b>			
SHARE CAPITAL	1	66129720	66129720
RESERVES & SURPLUS	2	286213686	255291625
		<u>352343406</u>	<u>321421345</u>
<b>LOAN FUNDS</b>			
SECURED LOANS	3	59327902	21315921
UNSECURED LOANS		0	0
		<u>59327902</u>	<u>21315921</u>
<b>TOTAL</b>		<b><u>411671308</u></b>	<b><u>342737266</u></b>
<b>II.APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	4	115703057	89880950
LESS DEPRECIATION		61174960	54167618
		<u>54528097</u>	<u>35713332</u>
NET BLOCK		54528097	35713332
CAPITAL WORK IN PROGRESS		144921077	128434115
INVESTMENTS	5	4781723	8733760
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
INVENTORIES	6	94549490	95163119
SUNDRY DEBTORS		23709035	21383999
CASH & BANK BALANCES		86755533	55577964
LOANS & ADVANCES		31819034	25777347
OTHER CURRENT ASSETS		1080275	1747622
		<u>237913366</u>	<u>199650050</u>
<b>LESS CURRENT LIAB. &amp; PROVISIONS</b>			
<b>LIABILITIES</b>			
CURRENT LIABILITIES	7	31137216	53721563
PROVISIONS		6030531	1360410
		<u>37167747</u>	<u>55081973</u>
NET CURRENT ASSETS		<b>200745619</b>	<b>144568077</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off)	8		
DEFERRED TAX ASSETS		6694792	25287983
		<u>6694792</u>	<u>25287983</u>
<b>TOTAL</b>		<b><u>411671308</u></b>	<b><u>342737266</u></b>
Accounting policies & Notes on Accounts	19		
In terms of our report of even dated attached			
.As per our report of even date			

For and on behalf of the Board of Directors

For Kamal Kishore & Co.  
Chartered Accountants

(Ashok Kumar Gupta)

(Ashok Kumar Kapoor)

Chairman &amp; Managing Director

Director

(K.K. Srivastava)  
Partner  
Place : Varanasi  
Date : 01.07.2011(Jai Singh)  
Manager (Accounts)(R.K.Singh)  
Company Secretary



**BANARAS BEADS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2011**

	SCH	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b><u>I.INCOME</u></b>			
TURNOVER	9	351,833,204	332,731,785
OTHER INCOME	10	37,694,648	16,511,056
		<b>389,527,852</b>	<b>349,242,842</b>
<b><u>II.EXPENDITURE</u></b>			
RAW MATERIAL AND SEMI FINISHED CONSUMED	11	191,118,303	200,101,034
PURCHASES OF TRADING GOODS		905818	0
INCREASE/DECREASE IN FINISHED GOODS	12	8,879,768	-21,893,156
MANUFACTURING EXPENSES	13	55,619,621	62,002,363
EXPORT & SELLING EXPENSES	14	25,907,544	26,198,374
PERSONNEL EXP.	15	31,201,024	20,464,316
ADMINISTRATIVE EXPENSES	16	7,662,178	6,303,647
COST OF FINANCE	17	1,790,124	1,107,182
REPAIR & MAINTENANCE	18	3,338,797	3,199,576
DEPRECIATION	4	7,558,892	4,970,818
		<b>333,982,068</b>	<b>302,454,154</b>
NET PROFIT BEFORE TAXATION		55,545,783	46,788,688
PROVISION FOR TAXATION		6,030,531	1,360,410
PROFIT AFTER TAXATION		49,515,252	45,428,278
BALANCE OF PROFIT & LOSS B/F		32,732,800	-9,203,488
ADD : ADJUSTMENT FOR DEFFERRED TAX		-18,593,191	-3,491,989
		<b>63,654,861</b>	<b>32,732,800</b>
BALANCE OF PROFIT & LOSS ACCOUNT			
APPROPRIATIONS		0	0
BALANCE CARRIED TO BALANCE SHEET		63,654,861	32,732,800

Accounting policies &amp; Notes on Accounts

19

In terms of our report of even dated attached

.As per our report of even date

For and on behalf of the Board of Directors

For Kamal Kishore & Co.  
Chartered Accountants

(K.K. Srivastava)

Partner

Place : Varanasi.

Date : 01.07.2011

(Ashok Kumar Gupta)

Chairman &amp; Managing Director

(Jai Singh)

Manager (Accounts)

(Ashok Kumar Kapoor)

Director

(R.K.Singh)

Company Secretary





## BANARAS BEADS LIMITED

## Cash Flow Statement For the Year Ended 31st March, 2011

	Rs. in Lacs		Rs. in Lacs	
	Current Year		Previous Year	
<b>(A) Cash Flow from Operating Activities</b>				
Net Profit Before Tax and Extraordinary Items		555.46		467.89
Adjustment For :-				
Depreciation	75.59		49.71	
Profit/(Loss) on Sale of Fixed Assets	(0.84)		0.06	
Interest/Dividend/Lease Rent	(28.64)		(33.96)	
W/o, W/back(sundry balance)	0.00		(1.00)	
Other Non Cash Exp.	0.00	46.11	0.00	14.81
		<u>601.57</u>		<u>482.70</u>
Adjustment For :-				
Trade & Other receivables	(12.71)		(188.07)	
Inventories	6.14		(273.16)	
Trade Payable	(225.85)	-232.42	315.61	-145.62
Cash Generated From Operations		369.15		337.08
Interest Paid	(9.24)		2.80	
Direct Taxes Paid/Refund Received	(77.89)	(87.13)	21.61	24.41
		-87.13		24.41
Cash Flow Before Extraordinary Items		282.02		312.67
Extraordinary items		0.00		0.00
Net Cash From Operating Activities (A)		282.02		312.67
<b>(B) Cash Flow From Investing Activities :</b>				
Purchase of Fixed Assets	(429.26)		(454.98)	
Sale of Fixed Assets	1.50		1.50	
Purchase of Investments	(422.74)		(366.30)	
Sale of Investments	462.25		422.57	
Interest Received	27.06		32.78	
Dividend Received	1.58		1.18	
Net Cash used in investing activities (B)	(359.61)	(359.61)	(363.25)	(363.25)
<b>(C) Cash Flow From Financing Activities :</b>				
Proceeds from Short term borrowing	380.12		213.16	
Dividend & Interest paid	9.24		2.80	
Net Cash used in financing activities	389.36	389.36	215.96	215.96
<b>TOTAL (A+B+C)</b>		311.77		165.38
Net Increase/Decrease in Cash & cash Equivalents		311.77		165.38
Cash & cash Equivalents As at 01.04.2010		555.78		390.40
Cash & cash Equivalents As at 31.03.2011		867.55		555.78
As per our report of even date				

(Ashok Kumar Gupta)  
Chairman & Managing Director

(Ashok Kumar Kapoor)  
Director

(R.K. Singh)  
Company Secretary

For Kamal Kishore & Co.  
Chartered Accountants

(Jai Singh)

Manager (Accounts)

Date : 01/07/2011  
Place : Varanasi

(K.K. Srivastava)  
Partner



## BANARAS BEADS LIMITED

## SCHEDULES TO ACCOUNTS IN RESPECT OF YEAR ENDED 31.3.2011

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	(Rs.)	(Rs.)
<b><u>SCHEDULE:1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED CAPITAL</u></b>		
Authorised		
1,20,00,000 Equity Share of Rs. 10/- Each	<u>120000000</u>	<u>120000000</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
6636222 Equity Shares(Previous Year 6636222)	66362220	66362220
Of Rs. 10/- Each		
Less :Calls in Arrears	<u>232500</u>	<u>232500</u>
	<u>66129720</u>	<u>66129720</u>
<b><u>SCHEDULE:2</u></b>		
<b><u>RESERVE AND SURPLUS</u></b>		
Share Premium Account	224765500	224765500
Less : Calls in Arrears	<u>2206675</u>	<u>2206675</u>
	<u>222558825</u>	<u>222558825</u>
<b><u>PROFIT &amp; LOSS ACCOUNT</u></b>		
Balance as per Last Account	32732800	-9203488
Net Profit After Tax	49515252	45428278
Less: Differed Tax Adjustment	<u>18593191</u>	<u>3491989</u>
	<u>63654861</u>	<u>32732800</u>
<b>Total</b>	<u>286213686</u>	<u>255291625</u>
<b><u>SCHEDULE:3</u></b>		
<b><u>LOAN FUND</u></b>		
<b><u>SECURED LOANS</u></b>		
<b>Bank of Baroda Packing Credit A/c</b>	<b>48670202</b>	<b>18194722</b>
(Secured against hypothecation of Stock, Book Debts & Plant and Machineries)		
<b>Bank of Baroda O/D A/C</b>	<b>10657700</b>	<b>3121199</b>
(Secured against Fixed Deposits of the Bank)		
<b><u>UNSECURED LOANS</u></b>		
	<b>0</b>	<b>0</b>
From Share holder		
<b>Total</b>	<u>59327902</u>	<u>21315921</u>



BANARAS BEADS LIMITED

SCHEDULE 4- OF FIXED ASSETS AS ON 31.3.2011

NAME OF ASSETS	RATE	GROSS BLOCK				UPTO 31.3.10 During t
		OP. BALANCE AS ON 1.4.10	ADDITION	DEDUCTION	TOTAL	
LAND	0.00%	3471276	0	0	3471276	0
FACTORY BUILDINGS	10.00%	34743548	9671704	0	44415252	22477377
FURNITURE & FIXTURE	18.10%	8892782	430935	0	9323717	4509839
PLANT & MACHINERY	13.91%	22061873	4506093	0	26567966	12660457
ELECTRICAL EQUIPMENT	13.91%	4890198	1834805	0	6725003	3618402
OFFICE EQUIPMENT	13.91%	756776	0	0	756776	699812
VEHICLES	25.89%	8308188	9825150	617671	17515667	4943711
COMPUTER	40.00%	5040161	163441	0	5203602	3586973
FURNACES	100.00%	1708349	0	0	1708349	1668309
MOBILE PHONE	13.91%	7800	7650	0	15450	2738
<b>TOTAL</b>		<b>89880950</b>	<b>26439778</b>	<b>617671</b>	<b>115703057</b>	<b>54167618</b>
<b>CAPITAL W.I.P.</b>		128434115	27631811	11144849	144921077	0
<b>GRAND TOTAL</b>		<b>218315065</b>	<b>54071590</b>	<b>11762520</b>	<b>260624134</b>	<b>54167618</b>



**BANARAS BEADS LIMITED**  
**SCHEDULE TO ACCOUNTS IN RESPECT OF YEAR ENDED 31ST MARCH 2011**

**SCHEDULE 05**

INVESTMENT (AT COST)	NOS. OF	FACE	CURRENT	PREVIOUS
NAME OF COMPANY	SHARES	VALUE	YEAR (Rs.)	YEAR (Rs.)
<b>I. (QUOTED)</b>				
Equity Shares				
Gee El Woollen Limited	1000	10 .00	10000	10000
Pertech Computer Limited	600	10.00	36000	36000
Elbee Services Limited	100	10.00	14000	14000
Kabson Industries Limited	1300	10.00	13000	13000
Bholanath International Ltd	300	10.00	6020	6020
Ideal Carpets Limited	300	10.00	2252	2252
M.P.Telelinks Limited	500	10.00	5000	5000
Rungta Irrigation Limited	600	10.00	36797	36797
GKB Ophthalmic Limited	1000	10.00	35000	35000
<b>II. UNQUOTED</b>				
Equity Shares				
Banaras Glass Beads Ltd	112500	10.00	1125000	1125000
Banaras Beads Leas.& Fin. (P) Ltd	12010	100.00	1201000	1201000
BBL Beads Limited	87500	10.00	875000	0
India Exposition Mart Ltd	9343	10.00	93430	93430
<b>III. MUTUAL FUND</b>				
Templeton India Treasury Management A/c ( Opening Value Rs. 112529 Invest. Rs. 41200000 Less Realized Rs. 41200000 dividend Recd and reinvested Rs. 80264)			192793	112529
Franklin Templeton Capital Safety Fund - 5 years plan (Unit)	100000	10.00	1000000	1000000
Kotak Floater long term ( Opening 5018364 invest Rs. NIL Less Realised Rs. 50 lacs Dividend Recd and reinvested Rs. 17358.)			35723	5018364
Religare Ultra Short Term Fund ( Opening 25368. Invest Rs Nil Less Realised Rs. 26485 Dividend Recd Rs. 1117)			0	25368
<b>Baroda Pioneer Treasury Advantage fund</b> (Opening Nil invest Rs. 100000 Less Realised Rs. Nil Dividend Recd and reinvested Rs. 709)			100708	0
<b>TOTAL</b>			<b>4781723</b>	<b>8733760</b>
Aggregate Cost of Quoted Investment (Rs.158069, Previous Year 158069) (Market value Rs.148472, Previous Year 160802)				



## BANARAS BEADS LIMITED

SCHEDULE:6CURRENT ASSETS, LOANS & ADVANCES

## CURRENT YEAR

## PREVIOUS YEAR

(Rs.)

(Rs.)

INVENTORIES

(As Taken , Valued as per policy stated in point 5 of Accounting policies and Certified by the Management,)

Raw Material	25540742	22704690
Finished Goods	52927798	57320567
Export Merchandise in Transit	5666829	10153828
Packing Material	5342791	2509802
Stores & Spares	5071329	2474232
<b>Total</b>	<b>94549490</b>	<b>95163119</b>

SUNDRY DEBTORS

(Unsecured Considered Good by the Management)

Debts Outstanding Above Six Months	1636285	1663200
Other Debtors	22072750	19720799
<b>Total</b>	<b>23709035</b>	<b>21383999</b>

CASH & BANK BALANCES

Cash in Hand (As certified by the management)	589840	237528
Postage Imprest	13479	8974

WITH SCHEDULED BANKS

In Current Accounts	3551045	16774979
In Fixed Deposit Account	82601169	38556483
<b>Total</b>	<b>86755533</b>	<b>55577964</b>

LOANS AND ADVANCES(Unsecured ,recoverable in  
Cash or in Kind or value to be received)**Considered Good :**

Advance to Suppliers & Others	5289518	9253675
Advance Payment for Taxes	19212358	12038727
Export Incentive Receivables	7282093	1444945
Others Loans	35064	3040000
<b>Total</b>	<b>31819034</b>	<b>25777347</b>

OTHER CURRENT ASSETS

Shares Application Money	0	875000
Security And Other Deposit	224677	224677
Prepaid Expenses	855598	647945
<b>Total</b>	<b>1080275</b>	<b>1747622</b>



	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE:7</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS:</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
	(Rs.)	(Rs.)
Sundry Creditors	11397544	25265583
Customer Deposits	13491822	25129061
Credit Balance with Banks	3230045	93974
Other Liabilities	3017806	3232945
<b>Total</b>	<b>31137216</b>	<b>53721563</b>
<b><u>PROVISIONS</u></b>		
Provision for Fringe Benefit Tax & Income Tax	6030531	1360410
<b>Total</b>	<b>6030531</b>	<b>1360410</b>
<b><u>SCHEDULE:8</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
Deferred Tax Assets	6694792	25287983
<b>Total</b>	<b>6694792</b>	<b>25287983</b>
<b><u>SCHEDULE:9</u></b>		
<b><u>TURNOVER</u></b>		
Export Sales	329215658	302927000
Domestic Sales	22617546	29804785
<b>Total</b>	<b>351833204</b>	<b>332731785</b>
<b><u>SCHEDULE:10</u></b>		
<b><u>OTHER INCOME</u></b>		
Export Incentive & Other Export related Benefits	25264538	9446595
Exchange Rate Difference	9033901	3170447
Dividend	157957	118930
Profit on Sale of Fixed Assets (Net)	83879	0
Rent	60000	50000
Balance written back	0	100011
Interest Income (Tax deducted Rs.269866,previous year Rs. 521383)	2705957	3276862
Profit on Forward Contract	256505	203079
Misc.Other Income	131911	145132
<b>Total</b>	<b>37694648</b>	<b>16511056</b>
<b><u>SCHEDULE:11</u></b>		
<b><u>COST OF RAW MATERIAL AND SEMI FINISHED CONSUMED</u></b>		
<b><u>OPENING STOCK</u></b>		
Raw Material	22704690	18462226
Packing Material	2509802	1652302
<b>Total</b>	<b>25214492</b>	<b>20114529</b>
<b><u>PURCHASES</u></b>		
Raw Material	34928347	31551233
Semi Finished Goods	139204165	152589873
Packing Material	17917493	17958667
Freight	4737338	3101224
<b>Sub Total</b>	<b>222001836</b>	<b>225315526</b>

**CLOSING STOCK**

	<b>CURRENT YEAR (Rs.)</b>	<b>PREVIOUS YEAR (Rs.)</b>
Raw Material	25540742	22704690
Packing Materials	5342791	2509802
<b>Total</b>	<b>30883533</b>	<b>25214492</b>
<b>Cost of Material Consumed</b>	<b>191118303</b>	<b>200101034</b>

**SCHEDULE:12****INCREASE/DECREASE IN FINISHED GOODS****OPENING STOCK**

Finished Goods	57320567	44860613
Export Merchandise in Transit	10153828	720626
	<u>67474395</u>	<u>45581239</u>

**CLOSING STOCK**

Finished Goods	52927798	57320567
Export Merchandise in Transit	5666829	10153828
	<u>58594627</u>	<u>67474395</u>
<b>Total</b>	<b>8879768</b>	<b>-21893156</b>

**SCHEDULE:13****MANUFACTURING EXPENSES**

Conversion & Finishing Charges	48099092	55643018
Consumption of Stores	7520529	6359345
<b>Total</b>	<b>55619621</b>	<b>62002363</b>

**SCHEDULE:14****EXPORT & SELLING EXPENSES**

Foreign Traveling Expenses	5605204	6088699
Export Freight & Shipping Expenses	14459310	13917855
Trade Fair Exp	1553494	2428580
Local Traveling Expenses	1272387	1477523
Other Selling Expenses	3017148	2285716
<b>Total</b>	<b>25907544</b>	<b>26198374</b>

**SCHEDULE:15****PERSONNEL EXPENSES**

Salaries , wages , bonus etc.	28197809	17955424
Provident Fund, Gratuity and Other Benefits	2572182	2317372
Food & Beverage to Staff	402441	181704
Staff Welfare Expenses/First Aid exp.	28592	9816
<b>Total</b>	<b>31201024</b>	<b>20464316</b>

**SCHEDULE:16****ADMINISTRATIVE EXPENSES**

Rent	30000	0
Water & Electricity	1623096	1336720
Insurance General	551034	413310
Rates & Taxes	2155	13138
License & Fees	193204	313478
Membership & Subscription	69039	53568
Communication Charges	720512	711152



Conveyance Charges	92816	77843
Printing & Stationery	944761	664433
Professional & Legal Expenses	1332082	1144523
Loss on sale of fixed assets	0	5767
Sundry Bal. W\Off	205650	0
Director Sitting Fees	39000	39000
Others	1718498	1414658
<b><u>PAYMENT TO AUDITOR</u></b>		
As Auditor	82725	82725
For Taxation Matter	8273	13788
For Certification Work	30333	16545
<b>Total</b>	<b>7662178</b>	<b>6303647</b>

**SCHEDULE:17**

**COST OF FINANCE**

Interest paid to bank	923547	280359
Other Bank Charges	866577	826823
<b>Total</b>	<b>1790124</b>	<b>1107182</b>

**SCHEDULE:18**

**REPAIR & MAINTENANCE**

Building	655626	988817
Machinery	1621778	892316
Vehicle & Others	1061392	1318442
<b>Total</b>	<b>3338797</b>	<b>3199576</b>





**SCHEDULE - 19: NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH' 2011 AND BALANCE SHEET AS ON THAT DATE :**

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING:**

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

**2. FIXED ASSETS:-**

Fixed Assets are stated at cost of acquisition less depreciation.

**3. DEPRECIATION:-**

Depreciation on fixed assets is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 on single shift basis.

**4. INVESTMENTS:**

Long Term Investments are shown at cost and fluctuations in the market price of quoted shares are not provided for. Current Investments are valued at lower of cost or realizable value and any reduction in realizable value is debited to the Profit & Loss Account. 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 Profit & Loss Account.

**5. INVENTORIES:**

**Basis of valuation**

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

**6. FOREIGN CURRENCY TRANSACTIONS :**

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

**7. RETIREMENT BENEFITS:**

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

**8. ACCOUNTING FOR DUTY CREDIT SCRIPT UNDER FOCUS PRODUCT SCHEME:**

Duty Credit Script under Focus Product Scheme are normally consumed in payments of custom duty against imports made. Entries for scripts transferred are accounted for on realised value. Duty Credit Script under Focus Product Scheme receivable at the end of accounting year is accounted on estimated realizable value.

**9. CONTINGENT LIABILITIES :**

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

**10. SALES:**

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

11. The accounting policies have been consistently followed and there has been no significant change in such policies during the year.

**B: NOTES ON ACCOUNTS:****1. Contingent Liabilities not provided for:**

- (i) Letter of credit opened with Banks : Rs. NIL (Previous year: Rs. NIL)
- (ii) Bank Guarantees outstanding : Rs. NIL (Previous Year-Rs. NIL)

2. The pending appeals pertaining to Assessment Year 1996-97 and 1997-98 have been decided by the Income Tax Appellate Tribunal, Delhi vide order dated 04.04.2008. Pursuant to such orders the company is entitled to get refund of approximately Rs. 28.77 Lakhs including interest. The refunds are yet to be received hence not accounted for in the Accounts.

**3. Related Party Disclosures:**

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is made.

**4. Details of Transactions:**

Sl. No.	NAME	Nature of Transaction	Value of Transaction entered during the year (Rs.)	Amount of Outstanding Items as on Balance Sheet (Rs.)
1	Banaras Beads Exports Ltd	Sales	31,03,550	0
		Advance for Purchase/Sale	382,86,854	0
2	Ashok Kumar Gupta	Remuneration including P.F.	1545000	----
3	Siddharth Gupta	Remuneration including P.F.	983111	
4	Banaras Glass Beads Ltd	Purchase	98,38,564	0
		Sales	115,60,774	
		Bead Polishing Charges	207230	
5	BBL Beads Limited	Share allotment	875000	875000(Dr)
6	Mangalam Hospitality India Ltd.		0	0

**5. SEGMENT:**

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

**6. Deferred Taxation**

- i) **In conformity with Accounting Standard-22" issued by The Institute of Chartered Accountants of India as "Accounting for Taxes on Income", the Company has provided for deferred tax during the year as under:**

(Rs.)	(Rs.)	2010-2011	2009-2010
Deferred Tax Assets/liability on account of Depreciation		-464430	-307268
Deferred Tax Assets on account of Unabsorbed Loss and Depreciation		5798812	24980715
Deferred Tax Assets on account of MAT		1360410	
Net Deferred Tax Assets		6694792	25287983

**7. Earning per share:**

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

	<b>2010-2011</b>	<b>2009-2010</b>
Net Profit attributable to shareholders (Rs.)	:49515252	45428278
Weighted average numbers of equity shares	:6636222	6636222
Basic earning per share of Rs. 10/- each (Rs.)	:7.46	6.85

8. There are no small scale industrial undertakings to whom the Company owes a sum exceeding Rs. one lac which is outstanding for more than 30 days during the year.

**9. Remuneration to Directors:**

	Current Year (Rs.)	Previous Year (Rs.)
<b>A. Chairman &amp; Managing Director</b>		
Salaries	15,00,000	15,00,000
Contribution to Provident Fund	45,000	--
<b>B. Executive Director</b>		
Salaries	8,77,778	--
Contribution to Provident Fund	1,05,333	--

10. The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Accounting Standards-2 pertaining to valuation of inventories issued by the Institute of Chartered Accountants of India.
11. 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.
12. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
13. 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.
14. The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities.
15. The Calls in arrears of Share Capital amounting to Rs.232500 and of Share Premium amounting to Rs. 2206675/- 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.
16. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.



24. DETAILS OF SALES MATERIAL CONSUMED, CAPACITIES & PRODUCTION  
EXPENDITURE & EARNING IN FOREIGN EXCHANGE

A) Sales

		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
<b>HANDICRAFTS ITEMS</b>					
a) Glass Beads, Neckless & Glass Items	Kg.	742225.80		661893.95	
	Pcs	55053	2258.58	119721	1740.60
b) Carpets/Drugget & Allied Products	Pc.	162.00	5.89	353	40.82
c) Other Handicraft items	Mtr.	1881146.00		1197834.00	
	Kg.	19669.549		11966.751	
	Pcs	12129067		15994709	
	ST	284576.00		205277.00	
	Gram	7041.00		14048	
			1253.86		1545.90
			<b>3518.33</b>		<b>3327.32</b>

b.) RAW MATERIALS CONSUMED

		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
Glass & Raw Beads	Kg	409660.89	1165.95	459472.14	1141.01
Misc Raw Handicraft, Fabric & Other Materials			745.23		860.00
Total			<b>1911.18</b>		<b>2001.01</b>

OPENING & CLOSING STOCK

**CLOSING STOCK**

		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
<b>HANDICRAFTS ITEMS</b>					
a) Glass Beads, Neckless & Glass Items	Kg.	259898.77		120171.97	
	Dz.	0.00		0	0.00
	Pcs	220381.00	382.18	401625	427.76
b) Carpets/Drugget & Allied Products	Pc.	2846.00	17.60	2985.00	28.08



		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
<b>c) Other Handicraft items</b>	Dz.	34.02	0.00	32.02	0.00
	Mtr.	72620.00	0.79	181278	1.75
	Kg.	866.14	1.39	2343.396	8.98
	Pcs	5498083.00	117.94	30383175	88.55
	Pkt.	49.00	0.06	8.00	0.00
	SP	2008.00	0.64	0.00	0.00
	ST	61197.00	6.53	82165.00	15.52
	Gram	2866.37	1.62	6377110	2.52
	Yard	600.00	0.04	600.00	0.04
	Gr	1739.00	0.49	0.00	0.00
Raw Materials			255.41		227.05
Packing Materials			53.43		25.10
Export Merchandise in Transit			56.67		101.54
Store & Consumable			50.71		24.74
			<b>945.50</b>		<b>951.63</b>
<b>OPENING STOCK</b>					
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
<b>HANDICRAFTS ITEMS</b>					
<b>a) Glass Beads, Neckless &amp; Glass Items</b>	Kg.	120171.97		127054.699	255.92
	Pcs	401625	427.76	216373.00	38.58
<b>b) Carpets/Drugget &amp; Allied Products</b>	Pc.	2985	28.08	3271.00	66.38
<b>c) Other Handicraft items</b>	Dz.	32.02	0.00	34.02	0.00
	Mtr.	181278	1.75	285109.50	6.70
	Kg.	2343.396	8.98	4093.64	15.49
	Pcs	3083175	88.55	1791781.00	55.57
	SP	8	0.00	0.00	0.00
	ST	0	0.00	85997.00	6.81
	Gram	82165	15.52	8597.37	2.56
	Yard	6377110	2.52	1100.00	0.07
	Others	600	0.04	2149.00	0.53
Raw Materials			227.05		184.62
Packing Materials			25.10		16.52
Export Merchandise in Transit			101.54		7.21
Store & Consumable			24.74		21.51
			<b>951.63</b>		<b>678.47</b>

**c) CAPACITY**

Since all items in which the Company is dealing are filing under the classification of Cottage Industries, the terms licensed and installed capacity are not applicable

**d) PRODUCTION**

ITEM	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		QTY.		QTY.	
Glass Beads & Necklace	Kg.	128564		105043	

**e) COMPOSITION OF RAW MATERIAL CONSUMED**

	<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
	<u>%</u>	<u>VALUE</u> Rs. In Lacs	<u>%</u>	<u>VALUE</u> Rs. In Lacs
Indigenous	89.68%	1705.88	90.62%	1813.26
Imported	10.74%	205.30	9.38%	187.75
	<b>100.00</b>	<b>1911.18</b>	<b>100.00</b>	<b>2001.01</b>

**f.) EXPENDITURE IN FOREIGN CURRENCY**

	<u>CURRENT YEAR</u> Rs. In lacs	<u>PREVIOUS YEAR</u> Rs. In lacs
Raw Materials	287.67	256.47
Export Promotional Tour & Other	63.68	85.17

**g.) EARNING IN FOREIGN EXCHANGE**

Export of Goods (FOB basis)	3138.07	2889.90
Export Freight & Insurance	154.09	139.37

**For Kamal Kishore & Co.**

Chartered Accountants

(K.K. Srivastava)

Partner

**(Ashok Kumar Gupta)**

Chairman &amp; Managing Director

**(R.K Singh)**

Company Secretary

**(Ashok Kumar Kapoor)**

Director

**(Jai Singh)**

Manager (Accounts)

Date : 01/07/2011

Place : Varanasi



Abstract of the Balance Sheet as at 31.03.2011 and Company's General Business Profile as per Part IV of Schedule VI (Amended) to the Companies Act, 1956.

<b>I.</b>	<b>Registration details</b>	<b>Registration No. 4984</b>	<b>State Code : 20</b>	
			<b><u>Rs. In (1000)</u></b>	
			<b><u>Balance Sheet Date</u></b>	
			<b><u>31.03.2011</u></b>	<b><u>31.03.2010</u></b>
<b>II.</b>	<b>Capital raised during the year</b>			
	Public Issue		NIL	NIL
	Bonus Issue		NIL	NIL
	Rights Issue		NIL	NIL
	Private Placement		NIL	NIL
<b>III.</b>	<b>Position of Mobilisation and Development of Funds</b>			
	Total Liabilities		411671	342737
	Total Assets		411671	342737
	Source of Funds			
	Paid up Capital		66130	66130
	Reserves & Surplus		286214	255291
	Secured Loans		59328	21316
	Unsecured Loans		NIL	NIL
	Share Application Money (Pending Allotment)		NIL	NIL
	Application of Funds			
	Net Fixed Assets		199449	164147
	Investments		4782	8734
	Net Current Assets		200746	144568
	Misc. Expenditure		6695	25288
	Accumulated Losses		0	0
<b>IV.</b>	<b>Performance of Company</b>			
	Turnover (Including other Income)		389528	349242
	Total Expenditure		333982	302454
	Profit (Loss) Before Tax		55546	46789
	Profit (Loss) After Tax		49515	45428
	Earning per share (Rupees)		7.46	6.85
	Dividend Rate %		NIL	NIL
<b>V.</b>	<b>Generic Names of Principal Products / Services of Company (as per monetary terms)</b>			

**Item Code No.**  
**(ITC Code)**

**Product Description**

701810.00

GLASS BEADS

570110.00

WOLLEN CARPETS

999190.00

HANDICRAFTS

711311.00/711319.00

GOLD AND SILVER ORNAMENTS

**For Kamal Kishore & Co.**

Chartered Accountants

**(Ashok Kumar Gupta)****(Ashok Kumar Kapoor)**

Chairman &amp; Managing Director

Director

(K.K. Srivastava)

Partner

**(R.K Singh)**

Company Secretary

**(Jai Singh)**

Manager (Accounts)

Date : 01/07/2011

Place : Varanasi



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

ATTENDANCE SLIP

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

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

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

I/We hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the Company held on Thursday 4<sup>th</sup> August ' 2011 at 3:00 P.M. at A-1, Industrial Estate, Varanasi-221106

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

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

(TEAR HERE)
BANARAS BEADS LIMITED
REGISTERED OFFICE : A-1, INDUSTRIAL ESTATE
VARANASI - 221 106

PROXY FORM

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

I/We.....of
.....in the district
of.....hereby appoint.....of
.....or failing him / her
.....of in the district of
.....as my/our proxy to attend and vote for me/us on my/our behalf
at the 31<sup>st</sup> Annual General Meeting of the Company to be held on Thursday 4<sup>th</sup> August ' 2011 at 3:00 P.M. at A-1 Industrial Estate Varanasi and at any adjournment thereof.

Signed this.....day of.....2011.

Signature -----

Affix One
Rupee
Revenue

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





FORM TO UPDATE E-MAIL ADDRESS, BANK ACCOUNT STATUS AND CHANGE OF ADDRESS

To,
M/s Banaras Beads Limited,
A-1, Industrial Estate,
Varanasi – 221106

Dear Sir,

I / We request you to update the following details in your records.

Name: \_\_\_\_\_ Folio No (S) . \_\_\_\_\_

1. Address : \_\_\_\_\_

Land Mark: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Country: \_\_\_\_\_ Pin Code : \_\_\_\_\_

Tel No. (Res) \_\_\_\_\_ (Off) \_\_\_\_\_ Mobile No: \_\_\_\_\_

Email ID \_\_\_\_\_ / \_\_\_\_\_

(Please attached copy of Election ID Card / Pass port / PAN Card / Driving License or any other relevant documents for reference of address and ID)

2. Bank Account Details

Bank Account No.: \_\_\_\_\_

A/C Type: Savings Current NRE NRO OTHERS \_\_\_\_\_

(Please tick)

Bank Name: \_\_\_\_\_ Branch Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

City: \_\_\_\_\_ Pin Code: \_\_\_\_\_ 9 Digit MICR No \_\_\_\_\_

IFSC \_\_\_\_\_

Any one of the following Documents to be submitted by the investor to change the Bank Details

- 1. "CANCELLED" original Cheque leaf of the bank account of first holder's/investor's name is printed on the face of the cheque).
2. Photocopy of the relevant page of his/her bank Pass Book wherein the first holder's/investor's name, bank a/c no and address is clearly legible.
3. In case of non-availability of either of the above mentioned document/s, such investors may submit a letter from their bank on its letterhead certifying the investors' bank account information (new & existing bank mandate) viz. account holders' name and address, bank account number, bank branch, account type, MICR & IFSC code.

3. Receipt of communications through E-Mail (E-mail address is mandatory- E-mail \_\_\_\_\_)

I / We wish to OPT / DO NOT OPT ( Please delete appropriately) to receive Annual Reports, News Letters and other mandatory communications sent by company in electronic format via E-mail \_\_\_\_\_ to my registered email ID / e-mail ID furnished above / registered in your records.

Signature/s (as per Mode of Holding in Folio):

\_\_\_\_\_  
1st Applicant / Guardian      2nd Applicant      3rd Applicant

Note. 1. Change of Address will be effected only on receipt of this Form, duly completed, alongwith all requisite documents as mentioned above. Incomplete Form with insufficient documents will not be acted upon and the same will be returned.

2. The signature of the Shareholder as appearing on the Form must match with his/ her specimen signature on record with the Company.