



## BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA  
CIN No. L01131UP1980PLC004984

Manufacturers & Exporters of All kind of Beads, Fashion Jewelry and Accessories.

AN ISO  
CERTIFIED  
COMPANY

Regd. & Head Office	: A-1, Industrial Estate, Varanasi - 221106 (INDIA)
Phones	: +91-542-2370161-4 (4 Lines)
Fax	: +91-542-2370165, 2370214
E-mail	: rksingh@banarasbead.com investor@bblinvestor.com
Website	: www.banarasbead.com

REF. : BBL/SECT/  
TO,  
THE MANAGER  
THE STOCK EXCHANGE MUMBAI,  
PHIROZE JEEJEBHOY TOWERS,  
25TH FLOOR, DALAL STREET,  
MUMBAI - 440 023.

August 23, 2016


**Sub.: Annual Report for F.Y. 2015-16 under regulation 34 (1) as approved in AGM held on 04.08.2016.**

Dear Sir,

Please find enclosed herewith Annual Report for F.Y. 2015-16 under regulation 34 (1) alongwith Notice, Directors Reports, Auditors Reports and other information as approved in AGM held on 04.08.2016.

Kindly take the above documents on the records and acknowledge the receipt of the same.

Thanking you,  
Yours faithfully,  
For **BANARAS BEADS LIMITED**

  
**(R.K. Singh)**  
**Company Secretary**  
Encl.: As above



**36th**  
Annual Report

**2015-16**



**BANARAS BEADS  
LIMITED**

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA



**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 & Director  
Siddharth Gupta : CEO & Managing Director  
Shalini Chandra : Executive Director  
R.K. Singh : Company Secretary  
Jai Singh : Chief Financial Officer

**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,  
Firm No. 007424C  
Varanasi

**E-VOTING SCRUTINIZER**

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

**UNITS**

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

**BANKERS**

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

**REGISTRAR & SHARE TRANSFER AGENTS**

**Mas Services Limited**

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

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

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**NOTICE**

**NOTICE** is hereby given that 36<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 4<sup>th</sup> August, 2016 at 3.00 P.M. to transact the following **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, 2016 including the audited Balance Sheet as at March 31, 2016 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 – Confirmation of interim dividend**

To confirm the payment of Interim Dividend of Rs. 2.50 per equity share already paid during the year, for the F.Y. 2015-2016.

**Item No. 3 – Re-appointment of Director**

To appoint a director in place of Mr. Siddharth Gupta (DIN: 00342369), who retires by rotation and being eligible, offers himself for re-appointment as director.

**Explanation-** Mr. Siddharth Gupta was appointed as Chief Executive Officer and Managing Director from 1<sup>st</sup> February, 2014 to 31<sup>st</sup> January, 2019, which was approved by the member in AGM held on 17.07.2014. Mr. Siddharth Gupta is liable to retire by rotation, he would need to be re-appointed as director and if his appointment is approved, he will continue as Chief Executive Officer and Managing Director of the company till 31<sup>st</sup> January 2019.

Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Siddharth Gupta (DIN: 00342369) as a Director/ Chief Executive Officer and Managing Director, to the extent that he is required to retire by rotation and to continue as Director and Chief Executive Officer & Managing Director of the company.

**Item No. 4 – 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:-

To ratify the re-appointment under the provisions of 139 of Companies Act 2013 to M/s Kamal Kishore & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) being eligible for re-appointment have been re appointed by the board as the statutory auditors of the Company to hold office from the conclusion of this Annual General meeting to till the conclusion of the 37<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.

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

Sd/-

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

Place : VARANASI  
Date : 26. 05. 2016

**NOTES:**

- 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.

- The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 29<sup>th</sup> July, 2016 to Thursday 4<sup>th</sup> August, 2016 (both days inclusive).
- Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
- 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.
- 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.
- The INE number of the company is 655B01011. The members holding shares in physical form are requested to dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

**M/s Mas Services Limited (RTA of Banaras Beads Limited)**  
T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020  
Ph:- 26387281/82/83 Fax:- 26387384  
Email: - [info@masserv.com](mailto:info@masserv.com), website: [www.masserv.com](http://www.masserv.com).



7. **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.**
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their **mobile number, bank details**, National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their **Depository Participant** only and not to the Company's Registrars and Transfer Agents, M/s Mas Services Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Transfer Agent to provide efficient and better services.
9. 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).**
10. 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 (upto last AGM) and for F.Y. 2015-16 will be uploaded after AGM with company's website and Ministry of Corporate Affairs website.
11. Members wishing to claim their unpaid Interim and Final dividends for F.Y. 2011-2012, Interim Dividend 2012-2013, Dividend 2013-14 Dividend 2014-15 and interim dividend 2015-16 are requested to correspond with Company Secretary of the Company, at the Company's registered office or RTA. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 ( Section 205A of the erstwhile Companies Acts, 1956), be transferred to the Investor Education and Protection Fund.
12. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update their e-mail addresses, in respect of shares held in dematerialized form **with their respective Depository Participants** and in respect of shares held in physical form **with above RTA directly to enable** company to send communication / documents via e-mail.
13. Copies of the Annual Report 2016 alongwith Notice of the 36<sup>th</sup> AGM, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

#### 14. E-VOTING –

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

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

Commencement of e-voting	End of e-voting
August 1, 2016 at 10.00 a.m. IST	August 3, 2016 at 5.00 p.m. IST
CUT OF DATE FOR REMOTE E-VOTING	28/07/2016

#### 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 1, 2016 (10:00 am)** till **August 3, 2016 (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 28<sup>th</sup> July, 2016 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. 25<sup>th</sup> June, 2016, 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:

- 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.
- 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.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- 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.
- The results declared alongwith 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 36<sup>th</sup> AGM of the Company on August 4, 2016 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**,

Sd/-  
**(R.K.SINGH)**  
Company Secretary

Place : VARANASI  
Date : 26. 05. 2016



**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 Siddharth Gupta</b>
<b>Fathers name</b>	:	Shri Ashok Kumar Gupta
<b>Date of Birth</b>	:	01.03.1983
<b>Nationality</b>	:	Indian
<b>Qualifications</b>	:	Graduate.
<b>Date of appointment on the board</b>	:	<b>Appointed as Executive director in the company on 08.07.2010 and subsequently</b> under the Companies Act 2013 appointed as CEO and Managing Director for the period 01.02.2014 to 31.01.2019.
<b>Permanent Account No.</b>	:	AGEPG1158R
<b>Director Identification No.</b>	:	00342369
List of directorship held in other <b>Company(s)</b>	:	i) M/s BBL Beads Limited. ii) M/s Mangalam Hospitality India Limited. iii) M/s Banaras Glass Beads Limited
<b>Number of shares held in the company</b>	:	201000
<b>Chairperson of Board committees</b>	:	NIL
<b>Disclosure of relationships between directors inter-se</b>	:	Son of Sri Ashok Kumar Gupta, Chairman & Managing Director
<b>Member of board committee</b>	:	NIL

**EXPERIENCE:**

Mr. Siddharth Gupta is BA (Hons) Glass from University of Wolverhampton, UK and having more than ten years experience of marketing and production of Glass Beads, handicrafts, imitation Jewelry, necklace and other related items.



**DIRECTORS REPORT**

Dear Shareholders,

Your Directors are pleased to present the 36<sup>th</sup> Annual Reports together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March 2016.

**FINANCIAL RESULTS:**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Revenue from Operations	2474.28	2356.93
Net Profit Before Taxation	625.82	263.04
Net Profit after taxation	431.54	160.68
Balance of Profit & Loss Account B/F	950.98	886.90
<b><u>APPROPRIATIONS:</u></b>		
Transfer to General Reserve	15.00	10.00
Interim Dividend Paid ( @ 2.5 per Share) Previous Year @Rs. 1.00 per share.	165.91	66.36
Tax on Dividend	33.98	10.77
Depreciation related to earlier years	0.00	9.47
Taxes of earlier Years	0.64	0.00
Balance of Profit & Loss Account C/F	1166.99	950.98

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

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 2015-16.

**OPERATION:**

During the year turnover of your Company slightly increased. The Export is increased by around 20% despite decline in demand of handmade beads, recession in global economy, fluctuation in foreign currency and dumping by China. However due to decline in domestic sales total turn over could be increased slightly.

**DIVIDENDS:**

Based on the Company's performance during the year 2015-2016, the Board of Directors decided to make payment of an interim dividend of Rs. 2.50/- per share in their meeting held on 9th March 2016 .The Board decided not to recommend any further final dividend.

**TRANSFER TO RESERVES:**

The Board of the directors has proposed to transfer Rs. 15.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 216.01 lakhs is proposed to be retained in the Profit and Loss Account after provision of proposed dividend and taxes there on and taxes of earlier year.

**SETTLEMENT OF MANAGEMENT DISPUTES:**

As already reported that the Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order in the matter of C.P. No. 14/99 is still pending before Hon'ble Supreme Court for appropriate order. The matter is still pending before Hon'ble Supreme Court for final hearing/decision. The Management does not reasonably expect that the Special Leave Petition, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

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





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

Management's Discussion and Analysis Report for the year under review, as stipulated under 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.

Mr. Siddharth Gupta retires by rotation and being eligible has offered himself for re-appointment. If re-appointed, he will continue as director and Chief Executive Officer & Managing Director of the company till 31<sup>st</sup> January 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, commission and reimbursement of expenses incurred by them for the purpose of attending 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 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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.

### **Re-APPOINTMENT OF AUDITORS AND AUDITOR REPORT:**

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

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

### **SECRETARIAL AUDITOR:**

The Board has appointed Mr. P. N. Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 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 31.03.2016 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 company has installed Solar Power Plant of 150 KVA. Other adequate measures are being taken to conserve the energy.

b) **Technological Absorption:**

The Company has imported machines from China and Check 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 1796.69 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 300.33 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**

Five Board Meetings were held during the F.Y. on 25<sup>th</sup> May' 2015, 30<sup>th</sup> July, 2015, 30<sup>th</sup> October , 2015, 25<sup>th</sup> January, 2016 & 9<sup>th</sup> March, 2016.

#### **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 31.03.2016, 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.

#### **PARTICULARS OF EMPLOYEES AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 -**

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

#### **FINANCE**

The Company has taken limit from Yes Bank of Rs. 1500.00 lakhs and the amount of loan outstanding as on 31.3.2016 was Rs.509.03 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, 2016.

**TRANSACTIONS WITH RELATED PARTIES.**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. 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. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 27 of Financial Statements, forming part of the Annual Report. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

**EVALUATION REPORT ON CAPITAL**

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

**INCREASE IN PAID-UP CAPITAL-**

During the year six shareholders calls in arrears amount Rs.3000 have been realised. After giving effect of said receipt, the paid-up capital changed/ increased to Rs. 66137720 from Rs.66134720. The balance calls in arrears are @ Rs. 5 per share on 44900 shares amounting Rs. 224500/-

**MATERIAL CHANGES :**

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

**INTERNAL FINANCIAL CONTROLS:**

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

**CREDIT RATING :**

The company had been recognized/rated as "ICRA SME 2" by ICRA Ltd. will be expired on 22.07.2016 and the same is under renewal process.

**TRADING OF SHARES UNDER "B" GROUP:**

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

**ACKNOWLEDGMENT:**

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

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

Sd/-

(Ashok Kumar Gupta)  
Chairman & Managing Director

Place : VARANASI  
Date : 26.05.2016



**ANNEXURE- I TO DIRECTORS' REPORT**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016.**

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

To,  
The Members,  
Banaras Beads Limited  
Varanasi

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

Based on my verification of the Banaras Beads Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Banaras Beads Limited ("the Company") for the financial year ended on 31.03.2016, 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;

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

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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.

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

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

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

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

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

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

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

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

Sd/-

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

Place: Varanasi  
Date: 26.05.2016



**ANNEXURE-II TO DIRECTOR REPORT**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2016**

[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	<b>A-1, Industrial Estate, Varanasi-221106</b> 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 with BSE and NSE
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>M/s Mas Services Limited</b> 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 shall be stated:-

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

**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
<b>1</b>	<b>NA</b>				
<b>2</b>					
<b>3</b>					

**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 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	



<b>A. Promoters</b>									
<b>(1) 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>	<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>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</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>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	70	0	70	0.00	70	0	70	0.00	0
c) Central Govt	0	0	0	0	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0
g) FII's	0	0	0	0	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others (specify)	0	0	0	0	0	0	0	0.00	0
<b>Sub-total (B)(1):-</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0.00</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0.00</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	108553	33570	142123	2.14	122065	33571	155635	2.34	8.68
i) Indian									
ii) Overseas									
b) Individuals	642602	578339	1220941	18.40	676304	568019	1244323	18.75	1.88
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1409228	0	1409228	21.23	303817	0	303817	4.58	-3.64
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify) non-resident Indian./OCB	13788	0	13788	0.21	4905	0	4905	0.07	-1.81
d) Any other (specify) clearing member	6795	0	6795	0.10	12211	0	12211	0.18	0.44
e) Any other (specify) Employee	120	810	930	0.01	130	810	940	0.01	0
g) Any other (specify) Directors and relative	2205	4530	6735	0.10	2179	4530	6709	0.10	0
<b>Sub-total (B)(2):-</b>	<b>2183291</b>	<b>617249</b>	<b>2800630</b>	<b>42.20</b>	<b>2193693</b>	<b>606847</b>	<b>2800540</b>	<b>42.20</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2183381</b>	<b>617249</b>	<b>2800630</b>	<b>42.20</b>	<b>2193701</b>	<b>606929</b>	<b>2800630</b>	<b>42.20</b>	<b>0</b>



C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6018973	617249	6636222	100.00	6029293	606929	6636222	100.00	0

(ii) *Shareholding of Promoters*

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

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

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

(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	1072000	16.15
2	VIRAF F CHINYOY	117066	1.76	117066	1.76
3	MITA DIPAK SHAH	NIL	NIL	73000	1.10
4	HARI PRAKASH GUPTA	37941	0.57	36250	0.55
5	DIPAK KANAYALAL SHAH	NIL	NIL	26130	0.39
6	RHEA D SHAH	NIL	NIL	22510	0.34
7	BRAJA BALASAHA ROY	NIL	NIL	17000	0.25

8	SHRI NARAIN AGARWAL	NIL	NIL	11861	0.18
9	BUL BUL	9900	0.15	9900	0.15
10	SEEMA MUSTAFA	9570	0.14	9570	0.14
11	H.V. GUPTA	8550	0.13	8550	0.13
	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			
	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	1363402	20.54
	Shri Siddharth Gupta	201000	3.03	201000	3.03
	Shri Ashok Kumar Kapoor	NIL	NIL	NIL	NIL
	Shri Praveen Singh	550	0.00	550	0.00
	Shri Tanmay Deva	50	0.00	50	0.00
	Mrs. Shalini Chandra	5300	0.08	5300	0.08
	Shri Ramesh Kumar Singh	NIL	NIL	NIL	NIL
	Shri Jai Singh	10	0.00	10	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE			
	At the End of the year				



**V. INDEBTEDNESS**

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

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1494.43	----	----	1494.43
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>1494.43</b>	<b>----</b>	<b>----</b>	<b>1494.43</b>
Change in Indebtedness during the financial year				
□ Addition	985.40	----	----	985.40
□ Reduction		----	----	
<b>Net Change</b>	<b>985.40</b>	<b>-----</b>	<b>----</b>	<b>985.40</b>
Indebtedness at the end of the financial year				
i) Principal Amount	509.03	----	----	509.03
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>509.03</b>	<b>----</b>	<b>----</b>	<b>509.03</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	
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	0*	2088000
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		
	<b>Total (A)</b>	<b>1488000</b>	<b>600000</b>		<b>2088000</b>
	Ceiling as per the Act	4200000	4200000	4200000	12600000

\* Amount payable for the year Rs.48.00 lakhs and PF contribution 5.76 lakhs on approval of re-appointment from Ministry Of Corporate Affairs, treated as contingent liability.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Ashok Kumar Kapoor	Praveen Singh	Tanmay Deva		
	3. Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings (sitting fee)	17000	13000	16000		46000
	Total (1)	<b>17000</b>	<b>13000</b>	<b>16000</b>		<b>46000</b>
	4. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	NIL	NIL	NIL		NIL
	Total (2)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>		<b>NIL</b>
	Total (B)=(1+2)	<b>17000</b>	<b>13000</b>	<b>16000</b>		<b>46000</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
<b>1.</b>	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		627600  NIL  NIL	378000  NIL  NIL	1005600  NIL  NIL
<b>2.</b>	Stock Option		NIL	NIL	NIL
<b>3.</b>	Sweat Equity		NIL	NIL	NIL
<b>4.</b>	Commission - as % of profit - others, specify...		NIL	NIL	NIL
<b>5.</b>	Others, please specify				
	Total		627600	378000	1005600

**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				

**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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 in Rs	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/to median remuneration of employee	Comparison of the Remuneration of the KMP against the performance of the Company
1	Ashok Kumar Gupta Chairman & Director	NIL	NIL	NIL	
2	Siddharth Gupta CEO & Managing Director	1666560	NIL	21.58	
3	Shalini Chandra Executive Director	672000	NIL	8.70	
3	Ramesh Kumar Singh Company Secretary	692112	4.68%	8.96	Profit before Tax increased By 137.92% and Profit After Tax increased by 168.56% in Financial year 2015-16
4	Jai Singh Chief Finance Officer	423360	5.02%	5.48	

ii) The median remuneration of employees of the Company during the financial year 2015-16 was Rs. 77229 and in Financial Year 2014-15 was Rs. 69350

iii) In the financial year, there was an increase of 11.36 % in the median remuneration of employees;

iv) There were 273 permanent employees on the rolls of Company as on March 31, 2016;

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

The Profit before Tax for the financial year ended March 31, 2016 increased by 137.92% whereas the increase in median remuneration was 11.36%.

The average increase in median remuneration was not in line with the performance of the Company.

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

The total remuneration of Key Managerial Personnel increased by 1.50% from 34.03 lacs (annulised) in 2014-15 to 34.54 lacs in 2015-16 whereas the Profit before Tax increased by 137.92% to 625.82 lacs in 2015-16 (263.04 lacs in 2014-15).



vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was Rs. 2943.16 lacs ( Rs. 2193.27 lacs as on March 31, 2015)

b) Price Earnings ratio of the Company was 6.82 as at March 31, 2016 and was 13.66 as at March 31, 2015

vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 11.36 % and in the managerial remuneration increase for the same financial year was 1.50%.

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

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

**For BANARAS BEADS LTD.,**

Place : VARANASI

Date : 26. 05. 2016

Sd/-  
**(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 2015-16. 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:**

- 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. Date(s) of approval by the Board, if any: Not Applicable
- f. Amount paid as advances, if any: None

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

Place : VARANASI  
Date : 26.05.2016

Sd/-  
**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**



**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. In indigenous market company did not receive good response through Retail Counters, Shop, Stores, Franchise, hence closed the same.

**OPPORTUNITIES & THREATS:**

The company's product is fashionable items and appreciated in International market. Thus 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 price under pressure and to offers to sell its products at unremunerative 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 net work. We hope in coming years Company will able to compete price with China.

**SEGMENT:**

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

**FINANCIAL / OPERATIONAL PERFORMANCE:**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Revenue from Operations	2474.28	2356.93
Net Profit Before Taxation	625.82	263.04
Net Profit after taxation	431.54	160.68
Balance of Profit & Loss Account B/F	950.98	886.90
<b><u>APPROPRIATIONS:</u></b>		
Transfer to General Reserve	15.00	10.00
Interim Dividend Paid ( @ 2.5 per Share) Previous Year @Rs. 1.00 per share.	165.91	66.36
Tax on Dividend	33.98	10.77
Depreciation related to earlier years	0.00	9.47
Taxes of earlier Years	0.64	0.00
Balance of Profit & Loss Account C/F	1166.99	950.98

**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 and other countries.

**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 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 M/s. G.D. Dubey & Associates, Chartered Accountants, to conduct the Internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee. The Company has been accredited with ISO 9001:2008 and follows the prescribed parameters.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

After taking all efforts during the financial year export was increased and Rs. 2047.67 lacs in the comparison of previous year of Rs.1693.61. But domestic/local sale decreased and Rs. 287.88 lacs against previous year Rs. 479.74 lacs. The total turnover slightly increased.

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

Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2016 was 273 out of which 79 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 generally accepted accounting principles in India (Indian GAAP).

The statement of profit and loss for the year ended March 31, 2016, balance sheet as at March 31, 2016 and the cash flow statement for the year ended March 31, 2016 are more relevant for understanding the performance of the company.

**For BANARAS BEADS LTD.,**  
Sd/-  
**(Ashok Kumar Gupta)**  
**Chairman & Managing Director**

Place : VARANASI  
Date : 26. 05. 2016

**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 it’s all area of functioning and relationship with suppliers, buyers, employees, bankers and proper regulatory compliances. The company also believes that its systems and procedure will enhance Corporate performance and maximize shareholders value in the long term.

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

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

Five Board Meetings were held during the F.Y. on 25<sup>th</sup> May’ 2015, 30<sup>th</sup> July, 2015, 30<sup>th</sup> October , 2015, 25<sup>th</sup> January, 2016 & 9<sup>th</sup> March, 2016.

**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	4	Yes
4. Shri Tanmay Deva	4	Yes
5. Siddharth Gupta	5	Yes
6. Shalini Chandra	4	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, 2016 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto.

**6. AUDIT AND RISK MANAGEMENT COMMITTEE:**

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

The meetings of the Audit Committee were held 23<sup>RD</sup> May’ 2015, 30<sup>th</sup> July,2015, 30<sup>th</sup> October,2015 & 25<sup>th</sup> January, 2016 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2015-2016 on 25.5.2016. Mr. Ashok Kapoor and Mr. Tanmay Deva have attended all meetings, whereas Mr. Praveen Singh has attended four meetings

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

**7. NOMINATION AND REMUNERATION COMMITTEE:**

The Board has constituted a Nomination and Remuneration Committee comprising of Mr. Praveen Singh, Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva, independent and Non Executive Directors of the company. Mr. Praveen 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 23<sup>rd</sup> May' 2015, 29<sup>th</sup> July,2015, 28<sup>th</sup> October ,2015 & 23<sup>rd</sup> January, 2016 to review remuneration. Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva attended all four meetings, whereas Mr. Praveen Singh has attended three meetings.

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

**8. INDEPENDENT DIRECTORS MEETING.**

There are three Independent Directors namely Shri Praveen Singh, Shri Ashok Kumar Kapoor and Shri Tanmay Deva under the provisions of Companies Act 2013 and Listing Agreement. All three Independent Directors were hold their independent meeting on 25.01.2016 and the same was chaired by Mr. Tanmay Deva.

**9. COMMITTEE FOR THE SHAREHOLDERS:**

**a) SHARE TRANSFER COMMITTEE:**

The Committee met four times during the year 2015-2016 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	2290	130	11950	0
No. of shares accepted	2290	130	10320	0
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	1630	

**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 25<sup>th</sup> May' 2015, 29<sup>th</sup> July,2015, 28<sup>th</sup> October ,2015 & 23<sup>rd</sup> January, 2016.

**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 2015-2016 –**

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 15 complaints regarding non-receipt of dividend, demat/ transfer of shares and 125 request to revalidate warrants / issue duplicate demand draft(s)/ all complaints / request have been resolved timely. Some Members have talked over phone time to time about demat, transfer, change of address, issue of duplicate share certificate, future prospects, dividend position, non-receipt of dividend etc. The same have been replied timely. No complaint / query are pending for reply / redressal as on 31.3.2016.

**10. GENERAL BODY MEETINGS:**

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

Year	Location	Date	Time	Special resolutions passed
	A-1, Industrial Estate, Varanasi			
2012-2013	-Do-	04.08.2013	3.00PM	No special resolution passed
2013-2014	-Do-	17.07.2014	3.00PM	No special resolution passed
2014-2015	-Do-	13.08.2015	3.00PM	Special resolution passed.

**Postal ballots :** For the year ended on 31<sup>st</sup> March' 2016 there have been no ordinary or special resolution passed by the shareholders of the





Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

**11. OTHER DISCLOSURES:**

- a) None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.27 of Notes on accounts in the Annual Report.
- b) The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year.

**12. MEANS OF COMMUNICATION:**

The Annual, half yearly and Quarterly results are usually submitted to the Stock Exchanges in accordance with Listing Agreements/ 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.

**13 (i) SHAREHOLDERS INFORMATION:**

1.	<b>Annual General Meeting</b>	<b>Date</b> <b>Time</b> <b>Venue</b>	: 04.08.2016, : 3:00 P.M : A-1, Industrial Estate, Varanasi
2.	<b>Financial Calendar 2015-2016</b>		: (F.Y. 01/04/2015 to 31/03/2016) :
3.	<b>Dates of Books Closure</b>		: From 29 <sup>th</sup> July, 2016 to Thursday, the 4 <sup>th</sup> August, 2016 (both days inclusive)
4.	<b>Dividend payment</b>		: Interim Dividend @ Rs.2.50 per share for F.Y.2015-2016 paid on 28.3.2016. No final dividend recommended.
5.	<b>Listing on Stock Exchanges</b>		: Bombay Stock Exchange National Stock Exchange
6.	<b>Listing Fees</b>		: Fees paid BSE and NSE.
7.	<b>Stock Code with BSE</b>		: 526849
8.	<b>Demat ISIN Number in NSDL</b>		: INE655B01011
9.	<b>Registered Office</b>		: A-1, Industrial Estate, Varanasi
10.	<b>Location of the Plant</b>		: A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi
11.	<b>Registrars for share transfer and demat purposes</b>		: <b>Mas Services Limited</b> 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>
12.	<b>Shareholders' Correspondence</b>		: All correspondence / communications regarding shares related i.e. transfer, transmission, demat, Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case of any problem, shareholder(s) may write to the company.
13.	<b>Compliance Officer</b>		: Sri R.K. Singh, Company Secretary
14.	<b>Designated Exclusive E-mail for investor service and Website</b>		: <a href="mailto:investor@bblinvestor.com">investor@bblinvestor.com</a> or <a href="http://www.bblinvestor.com">www.bblinvestor.com</a>

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

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

**13(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>st</sup> MARCH' 2016:**

Particular	No. of Shareholder	% out of total share holders	Number of Share held	% of share holding
001 – 500	6255	94.372	703625	10.603
501 – 1000	191	2.882	140352	2.115
1001 – 2000	76	1.147	114494	1.725
2001 – 3000	35	0.528	88467	1.333
3001 – 4000	16	0.241	55794	0.841
4001 – 5000	11	0.166	51411	0.775
5001 – 10000	27	0.407	180658	2.722
10001 – above	17	0.256	5301421	79.886
	<b>6628</b>	<b>100.00</b>	<b>6636222</b>	<b>100.00</b>

**13(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2016:**

The category wise share holding of Members of the Company as on 31.03.2016 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	155635	2.345
3- Financial Institution / Bank	70	0.001
4- Mutual Fund	20	0.000
5- Trust	1072000	16.154
6- Non resident Indian/OCB	4905	0.074
7- Clearing Member	12211	0.184
8- Employee	940	0.014
9- Director's relative	6709	0.101
10- Indian Public	1547540	23.319
<b>Total -</b>	<b>6636222</b>	<b>100.00</b>

**13(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, 2016 total number of 6029293 equity shares representing 90.85 % of the Equity Share Capital have been dematerialized. However out of total 6628 shareholders, 2766 shareholders (41.732%) have dematerialized their shares.

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

Period (Apr 2015 to Mar 2016)

Month	BSE				NSE		
	High Price	Low Price	No. of Shares		High Price	Low Price	No. of Shares
Apr 15	47.90	33.20	27516	49.90	33.00	36771	
May 15	44.00	35.00	23578	46.00	34.20	32269	
Jun 15	37.00	28.30	46313	38.45	28.00	61131	
July 15	38.00	32.25	27428	38.45	32.60	23943	
Aug 15	38.65	27.10	31283	39.65	24.75	26903	
Sep 15	33.40	27.60	13742	32.95	27.00	28747	
Oct 15	35.85	29.55	55123	34.90	29.15	39371	
Nov 15	65.00	29.00	368923	65.80	30.55	253002	
Dec 15	64.50	43.65	105138	64.95	42.35	225163	
Jan 16	63.00	36.30	196532	62.70	37.00	203571	
Feb 16	58.95	36.05	46508	58.95	35.20	52999	
Mar 16	53.10	36.00	59988	53.10	35.30	81505	

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

**13(VIII).** The Company had **complied Voluntary delisting proceeding with Ahmadabad, Calcutta, Delhi Stock Exchanges under regulation clause 6 (a) of SEBI (Delisting of Equity Shares) Regulations, 2009 during the F.Y. 2013-14. But no response was received from the said stock exchanges either of delisting confirmation or any other Notice .**

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

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



**14. CEO / CFO CERTIFICATION:**

CEO / CFO Certificate in Compliance of Listing Agreement is enclosed in respect of the financial year 2015-2016.

**For BANARAS BEADS LTD.**

Sd/-

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

Place : VARANASI  
Date : 26. 05. 2016

**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, 2016, 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, 2016.

**For Banaras Beads Limited**

Sd/-

**(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 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 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.**

**For BANARAS BEADS LTD.**

Place : VARANASI  
Date : 26. 05. 2016

Sd/-  
**(Siddharth Gupta)**  
CEO & Managing Director

Sd/-  
**(Jai Singh)**  
Chief Finance Officer



**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, 2016, 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, 2015 to September 1, 2015.
  - c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 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, 2015 to March 31, 2016.
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, 2016.
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 Kamal Kishore & Co.**  
**Chartered Accountants**

Place : VARANASI.  
Date : 26. 05. 2016

Sd/-  
**(Kamal Kishore Srivastava)**  
**Partner M. No. 071639**

**BUSINESS RESPONSIBILITY REPORT**

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

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

1. **Name of the Company** : Banaras Beads Limited
2. **Registered address** : A-1, Industrial Estate, Varanasi-221106
3. **Website** : [www.banarasbead.com](http://www.banarasbead.com), OR [www.bblinvestor.com](http://www.bblinvestor.com)
4. **E-mail id** : [info@banarasbead.com](mailto:info@banarasbead.com) OR [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com)
5. **Financial Year reported** : April 1, 2015 to March 31, 2016
6. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

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

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

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

As per clause 6 stated above

8. **Total number of locations where business activity is undertaken by the Company**
  - i. **Number of International Locations (Provide details of major 5)** : No International location
  - ii. **Number of National Locations**

Number of National Locations: 1 (Varanasi)

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

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

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

1. **Paid up Capital (INR)** : 661.37 Lacs.
2. **Total Turnover (INR)** : 2335.56 Lacs.
3. **Total profit after taxes (INR)** : 431.54 Lacs.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : N.A. & Nil
5. **List of activities in which expenditure in 4 above has been incurred:-** N.A.

**SECTION C: OTHER DETAILS**

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

**SECTION D: BR INFORMATION**

**1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR**

- a) **Details of the Director/Director responsible for implementation of the BR policy/policies.**
  - DIN Number - 0016661
  - Name - Shri Siddharth Gupta
  - Designation – CEO & Managing Director

b) Details of the BR head.

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

a. **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**

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.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If*

*so, provide details thereof, in about 50 words or so.*

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

**PRINCIPLE 2**

1. 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.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.
- Reduction during usage by consumers (energy, water) has been achieved since the previous year.

3. 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.

4. 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 including contractor. 273
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 0
3. Please indicate the Number of permanent women employees. 79
4. Please indicate the Number of permanent employees with disabilities: 11
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
- Permanent Women Employees
- Casual/Temporary/Contractual Employees : NIL
- Employees with Disabilities :

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

**PRINCIPLE 4**

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

**PRINCIPLE 5**

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

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

**PRINCIPLE 6**

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



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

**PRINCIPLE 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: YES
  - a. Federation of Indian Export Origination (FIEO)
  - b. Chemical and allied promotion Export Council India (CAPEXIL)
  - c. 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. No.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. No.

**PRINCIPLE 9**

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



**REPORT OF THE INDEPENDENT AUDITORS**

**TO THE SHAREHOLDERS OF BANARAS BEADS LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Banaras Beads Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our



- examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note -31, 33 & 34 to the financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as no amount was due to be transferred during the year.

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

Sd/-

**(Kamal Kishore Srivastava)**  
**Partner M. No. 071639**

Place: VARANASI  
Date: 26. 05. 2016



**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF BANARAS BEADS LIMITED. ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

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 not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, Consequently, the provisions of clauses iii (a) to iii (c) of the order are not applicable to the Company.
4. In our opinion an according to the information an explanation given to us, the company has complied with the provision of Section 185 and 186 of the act, with respect to the investment made. No loan and guarantee has been given to director etc.
5. The Company has not accepted any deposits from the public.
6. As explained to us by the management maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act are not applicable to the company,
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2016 for a period of more than six months from the date they became payable, except disputed service tax amounting to Rs.7.34 Lakhs.  
(b) According to the information and explanation given to us, following amount of dues of tax and cess which have not been deposited on account of disputes:-  
Service Tax Appeal Pending at Commissioner Appeal 7.34 Lakhs
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 Kamal Kishore & Co.**  
**Chartered Accountants**  
**(Firm No 007424C)**

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

Place: VARANASI  
Date : 26. 05. 2016



**Balance Sheet as at 31st March, 2016**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		(Amount in Rs.)	(Amount in Rs.)
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	66137720	66134720
(b) Reserves and Surplus	2	355709229	332452996
<b>(2) Current Liabilities</b>			
(a) Short-term borrowings	3	50902880	149443400
(b) Trade payables	4	9558556	2707482
(c) Other current liabilities	5	22723638	19685322
(d) Short-term provisions	6	19806625	16212783
	<b>Total</b>	<b>524838648</b>	<b>586636703</b>
<b><u>II. ASSETS</u></b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		137777751	141300047
(ii) Intangible assets		41337	41337
(b) Non-current investments	8	36661499	21396499
(c) Deferred tax assets (net)	9	2538768	2867090
(d) Long term loans and advances	10	12901438	16215038
<b>(2) Current assets</b>			
(a) Current investments	11	0	40526713
(b) Inventories	12	142499862	129693227
(c) Trade receivables	13	13422515	5529295
(d) Cash and cash equivalents	14	105334953	169866295
(e) Short-term loans and advances	15	71468218	57190725
(f) Other current assets	16	2192307	2010437
	<b>Total</b>	<b>524838648</b>	<b>586636703</b>

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

For and on behalf of the Board of Directors

**For Kamal Kishore & Co.**  
Chartered Accountants  
Sd/-

**(K.K. Srivastava)**  
Partner  
Place : VARANASI  
Date : 26.05.2016

Sd/-  
**(Ashok Kumar Gupta)**      Sd/-  
**(Ashok Kumar Kapoor)**

Chairman & Managing Director      Independent Director

Sd/-  
**(Siddharth Gupta)**      Sd/-  
CEO & Managing Director      **(R.K. Singh)**  
Company Secretary

Sd/-  
**(Jai Singh)**  
Chief Finance Officer



**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No	Figures as at the	Figures as at the
		end of current reporting period	end of previous reporting period
		(Amount in Rs.)	(Amount in Rs.)
Revenue from operations	17	247428363	235693476
Other Income	18	15323943	11912227
<b>Total Revenue</b>		<b>262752306</b>	<b>247605703</b>
Expenses:			
Cost of materials consumed	19	119202858	125921791
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-8163196	-32909268
Manufacturing Exp	21	38407542	42366451
Employee benefit expense	22	36075025	31402563
Financial costs	23	5872574	1022282
Depreciation and amortization expense	7	21268271	23523124
Other expenses	24	35159582	29975235
<b>Total Expenses</b>		<b>247822656</b>	<b>221302178</b>
Profit before exceptional and extraordinary items and tax		14929650	26303525
Exceptional Items		47652258	-
Profit before extraordinary items and tax		6,25,81,908	2,63,03,525
Profit before tax		62581908	26303525
Tax expense:			
Current tax		19100000	8500000
Deferred tax		328322	1735374
Profit for the year		43153586	16068151
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		6.50	2.42

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

**For Kamal Kishore & Co.**  
Chartered Accountants  
Sd/-  
**(K.K. Srivastava)**  
Partner  
Place : VARANASI.  
Date : 26.05.2016

For and on behalf of the Board of Directors

Sd/-	Sd/-
<b>(Ashok Kumar Gupta)</b>	<b>(Ashok Kumar Kapoor)</b>
Chairman & Managing Director	Independent Director
Sd/-	Sd/-
<b>(Siddharth Gupta)</b>	<b>(R. K. Singh)</b>
CEO & Managing Director	Company Secretary
Sd/-	

(Jai Singh)  
Chief Finance Officer



**Cash Flow Statement For the Year Ended 31st March, 2016**

	Rs. in Lacs	Rs. in Lacs	
	<b>Current Year</b>	<b>Previous Year</b>	
<b>(A) Cash Flow from Operating Activities</b>			
Net Profit Before Tax and Extraordinary Items	1,49,29,650		2,63,03,525
Adjustment For :-			
Depreciation	21268271	23523124	
Profit/Loss on Sale of Fixed Assets	(136379)	(143992)	
Profit/(Loss) on Sale of Investment	(47579)	0	
Interest/Dividend/ Rent	(14011435)	(10723531)	
Other Non Cash Income/Exp.	(624295)	(136525)	12519076
	<u>2,13,78,233</u>		<u>38822602</u>
Adjustment For :-			
Trade & Other receivables	(30432073)	14536096	
Inventories	(12806635)	(27402329)	
Trade Payable	10513685	(8377832)	(21244065)
Cash Generated From Operations	<u>(1,13,46,790)</u>		<u>17578537</u>
Interest Paid	4265731	1022282	
Direct Taxes	(13385768)	(8609959)	(7587677)
	<u>(91,20,038)</u>		<u>(7587677)</u>
Cash Flow Before Extraordinary Items	(2,04,66,828)		9990860
Extraordinary Items	47652258	0	0
Net Cash From Operating Activities (A)	2,71,85,430		9990860
<b>(B) Cash Flow From Investing Activities :</b>			
Purchase of Fixed Assets	(17989596)	(23655718)	
Sale of Fixed Assets	380000	385000	
Purchase of Investments	(171538935)	(179165181)	
Sale of Investments	196848227	118358468	
Realisation of Long term Advance	16215038	0	
Interest Received	10949470	8644292	
Rent Received	513500	894058	
Dividend Received	2548465	1185181	
<b>Net Cash used in investing activities (B)</b>	37926170	(73353900)	(73353900)
	<u>3,79,26,170</u>		
<b>(C) Cash Flow From Financing Activities :</b>			
Amount Received against Calls in Arrear	158050	91000	
Proceeds from Short term borrowings	(98540519)	145062751	
Dividend & Interest Paid	(31260472)	(16447848)	
<b>Net Cash used in financing activities</b>	<u>(129642941)</u>	<u>128705903</u>	128705903
<b>TOTAL (A+B+C)</b>			
	(6,45,31,342)		65342862
Net Increase/Decrease in Cash & cash Equivalents	(6,45,31,342)		65342862
Cash & cash Equivalents As at 01.04.2015	16,98,66,295		10,45,23,433
Cash & cash Equivalents As at 31.03.2016	10,53,34,953		169866295

As per our report of even date  
**For Kamal Kishore & Co**  
Chartered Accountants  
Sd/-

(K.K. Srivastava )  
Partner

Sd/-  
(Ashok Kumar Gupta)  
Chairman & Managing Director  
Sd/-

(R.K. Singh)  
Company Secretary

Sd/-  
(Siddharth Gupta)  
CEO & Managing Director

Sd/-  
(Jai Singh)  
Chief Finance Officer

Sd/-  
(Ashok Kumar Kapoor)  
Independent Director

Place : VARANASI.

Date : 26.05.2016



## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS OF ACCOUNTING:

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

#### 2. FIXED ASSETS:-

Fixed Assets are stated at cost of acquisition less depreciation.

#### 3. DEPRECIATION:-

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

#### 4. INVESTMENTS:

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

#### 5. INVENTORIES:

##### **Basis of valuation**

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

#### 6. FOREIGN CURRENCY TRANSACTIONS:

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

#### 7. RETIREMENT BENEFITS:

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

#### 8. ACCOUNTING FOR DUTY CREDIT SCRIPT UNDER MERCHANDISE EXPORT INCENTIVE SCHEME/EXPORT PROMOTION CAPITAL GOODS/ ADVANCE AUTHORISATION INCENTIVE SCRIPT SCHEMES:

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 Authorisation Incentive Script Schemes receivable at the end of accounting year is accounted on estimated realizable value.

#### 9. CONTINGENT LIABILITIES:

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

#### 10. SALES:

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

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



<b>NOTES TO ACCOUNTS</b>	<b>NOTE</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
<b><u>1. SHARE CAPITAL</u></b>	<b>1</b>		
<b><u>AUTHORISED CAPITAL</u></b>			
Authorised			
1,20,00,000 Equity Share of Rs. 10/- Each		<b>120000000</b>	<b>120000000</b>
<b><u>ISSUED SUBSCRIBED &amp; FULLY PAID UP SHARE CAPITAL</u></b>			
6636222 Equity Shares of Rs. 10/- Each Fully paid -up		66362220	66362220
Less: Unpaid Calls		224500	227500
<b>Total</b>		<b>66137720</b>	<b>66134720</b>
<b><u>LIST OF SHAREHOLDERS</u></b>			
Shareholders holding more than 5% shares		<u>No. of Shares (%)</u>	<u>No. of Shares (%)</u>
Ashok Kumar Gupta		1363402 (20.54)	1363402 (20.54)
Ashok Kumar Gupta (HUF)		544920 (8.21)	544920 (8.21)
Rekha Gupta		739830 (11.15)	739830 (11.15)
Ram Gulam Kanhaiya Lal Charitable Trust		1072000 (16.15)	1072000 (16.15)
Prashant Gupta/Ashok Kumar Gupta( Joint Holders)		472540 (7.12)	472540 (7.12)
Vaishali Gupta		350110 (5.28)	350110 (5.28)
<b><u>2. RESERVE AND SURPLUS</u></b>	<b>2</b>		
<b><u>A. GENERAL RESERVE</u></b>			
Opening Balance.		14350000	1,33,50,000
Transferred During the Year		1500000	10,00,000
<b>Sub Total</b>		<b>15850000</b>	<b>14350000</b>
<b><u>B. Securities Premium Reserve</u></b>		224765500	224765500
Less : Unpaid Calls		1605700	1760750
<b>Sub Total</b>		<b>223159800</b>	<b>223004750</b>
<b><u>C. SURPLUS OF PROFIT &amp; LOSS</u></b>			
Balance as per Last Account		95098246	88690015
Net Profit After Tax		43153586	16068151
Less: Transferred to General reserve		1500000	1000000
Less: Dividend Paid(@ Rs.2.50 per share,)Previous Year @ Rs. 1.00 Per share.		1,65,90,555	66,36,222
Tax on Dividend		3398028	10,76,561
Taxes of Earlier Years		63820	-
Less Adjustment Relating to Fixed Assets		0	9,47,137
<b>Sub Total</b>		<b>116699429</b>	<b>95098246</b>
<b>Total</b>		<b>355709229</b>	<b>332452996</b>



**3.SHORT TERM BORROWINGS**

**3**

**Secured Loans from Bank**

**a)Yes Bank Packing Credit Foreign Currency Loan**

30797000                      31157200

(Secured against Fixed Deposits of the Bank)

**Yes Bank Over Draft a/c**

(Secured against Fixed Deposits of the Bank)

20105880                      118286200

**Total**

**50902880                      149443400**

**4. TRADE PAYABLE**

**4**

Trade Payable

9558556                      2707482

**Total**

**9558556                      2707482**

**5. OTHER CURRENT LIABILITIES**

**5**

Customer Deposits

10289029                      12815525

Other Liabilities

5943417                      4341322

Unclaimed Dividend

6491192                      2528475

**Total**

**22723638                      19685322**

**6 SHORT TERM PROVISIONS**

**6**

Provisions for Income & Dividend Tax

19806625                      9576561

Provision for Proposed Dividend

0                      6636222

**Total**

**19806625                      16212783**

**SCHEDULE OF FIXED ASSETS AS ON 31.3.2016**

**7. FIXED ASSETS AND DEPRECIATION**

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OP. BALANCE AS ON 01.04.2015	ADDITION	DEDUCTION	TOTAL	UPTO 31.03.2015	DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL	AS ON 31.03.2016	AS ON 31.03.2015
<b>TANGIBLE ASSETS</b>										
LAND	3501276			3501276	0	0		0	3501276	3501276
FACTORY BUILDING	119181063	1524564		120705627	41771468	7354307		49125775	71579852	77409595
FURNITURE AND FIXTURES	11288838	224655		11513493	8923875	838593		9762468	1751025	2364963
PLANT AND MACHINERY	72203923	4392302	100731	76495494	31466196	7947315	59086	39354425	37141069	40737727
ELECTRICAL EQUIPMENTS	14828723	10316151		25144874	9134036	1641478		10775514	14369360	5694687
OFFICE EQUIPMENTS	847640			847640	784298	18244		802542	45098	63342
VEHICLES	22564676	294790	1396125	21463341	15583326	2414743	1194149	16803920	4659421	6981350
COMPUTER	5155734	1232734		6388468	4798212	283801		5082013	1306455	357522
FURNACES	1708349			1708349	1673863	0		1673863	34486	34486
MOBILE PHONE	94459	4400		98859	29059	29555		58614	40245	65400
EFFLEUNT TREATMENT DISPOSAL SYSTEM	4091728			4091728	2029	740235		742264	3349464	4089699
Sub Total	255466409	17989596	1496856	271959149	114166362	21268271	1253235	134181398	137777751	141300047
<b>INTANGIBLE ASSETS</b>										
SOFTWARE	826747	0	0	826747	785410	0	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	0	0	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>256293156</b>	<b>17989596</b>	<b>1496856</b>	<b>272785896</b>	<b>114951772</b>	<b>21268271</b>	<b>1253235</b>	<b>134966808</b>	<b>137819088</b>	<b>141341384</b>
PREVIOUS YEAR	233789794	28504361	6001000	256293155	91392860	23523124	911349	114951772	141341384	142396935



**ANNEXURE TO NOTE -8**

<b><u>NON-CURRENT INVESTMENTS</u></b>	No.of shares	Face Value	CURRENT YEAR	PREVIOUS YEAR
<b><u>In Equity Shares - UnQuoted</u></b>				
<b><u>A.INVESTMENT IN ASSOCIATES</u></b>				
BBL Beads Ltd.	87500	10.00	875000	875000
Banaras Bead Business Pvt Ltd.	59300	100.00	35580000	20280000
<b><u>B.INVESTMENT IN OTHERS</u></b>				
India Exposition Mart Ltd.	9343	10.00	93430	93430
<b><u>(I) In Equity Shares - Quoted</u></b>				
Pertech Computers Ltd.	600	10.00	36000	36000
Elbee Services Ltd.	100	10.00	14000	14000
Kabson Industries Ltd.	1300	10.00	13000	13000
Bholanath International Ltd.	300	10.00	6020	6020
Ideal Carpets Ltd.	300	10.00	2252	2252
M.P.Telelink Ltd.	500	10.00	5000	5000
Rungta Irrigation Ltd.	600	10.00	36797	36797
GKB Ophthalmic Ltd.	1000	10.00	0	35000
<b>Total</b>			<b>36661499</b>	<b>21396499</b>

Aggregate Cost of Quoted Investment-  
(Rs 113069, Previous Year 148069)  
(Market value Rs 87972- Previous Year Rs 150092)

Aggregate Cost of Un-Quoted Investment-  
(Rs 36548430-, Previous Year 21248430)



<b>NOTES TO ACCOUNTS</b>	<b>NOTE</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
<b><u>9. DEFERRED TAX ASSETS</u></b>	<b>9</b>		
Related to Fixed Assets		2538768	2867090
<b>Deferred Tax Assets</b>		<b>2538768</b>	<b>2867090</b>
<b><u>10 LONG TERM LOANS &amp; ADVANCES</u></b>	<b>10</b>		
<b>Advance against Purchase of Land/Building</b>		12901438	16215038
<b>Other Advance</b>			
(UNSECURED, CONSIDERED GOODS BY MANAGEMENT)			
<b>Total</b>		<b>12901438</b>	<b>16215038</b>
<b><u>CURRENT ASSETS</u></b>			
<b><u>11 Current Investment</u></b>	<b>11</b>		
<b><u>(I) In Units of Mutual Fund</u></b>			
<b><u>Quoted</u></b>			
Baroda Pioneer Treasury Advantage Fund		0	7786362
Prudential ICICI Saving Plan		0	32740351
(Aggregate amount of quoted Investment Nil , Previous Year Rs 405.27 Lakhs )			
		<b>0</b>	<b>40526713</b>
<b><u>12.INVENTORIES</u></b>	<b>12</b>		
(As Taken , Valued as per policy stated in point 5 of Accounting policies and Certified by the Management,)			
Raw Material		40880969	34658979
Finished Goods		91515558	82363998
Export Merchandise in Transit		3526657	4515020
Packing Material		3927655	6347796
Stores & Spares		2649023	1807434
<b>Total</b>		<b>142499862</b>	<b>129693227</b>
<b><u>13.TRADE RECEIVABLES</u></b>			
Unsecured, Considered Good by the Management	<b>13</b>		
Outstanding over Six Months		1727075	2200485
Other Debts		11695440	3328810
<b>Total</b>		<b>13422515</b>	<b>5529295</b>
<b><u>14.CASH &amp; CASH EQUIVALENTS</u></b>	<b>14</b>		
<b><u>WITH SCHEDULED BANKS</u></b>			
In Current Accounts		1628438	5174705
In Fixed Deposit Account		96002777	161588026
Earmarked Balance With Bank ( For Unpaid Dividend)		6491192	2528475
Cash in Hand (As certified by the management)		1173787	566889
Postage Imprest		38759	8200
<b>Total</b>		<b>105334953</b>	<b>169866295</b>



<b><u>15.SHORT-TERM LOANS AND ADVANCES</u></b>	<b>15</b>		
Unsecured, Considered Good by the Management (Recoverable in Cash or in Kind or value to be received)			
Advance to Suppliers & Other		6519265	6216635
Advance to Suppliers & Other (Doubtful)		1563028	0
Advance Payment for Taxes		25050705	19805604
Export Incentive Receivables		9230671	10709843
Loan to Others		29104548	20458643
<b>Total</b>		<b>71468218</b>	<b>57190725</b>
<b><u>16.OTHER CURRENT ASSETS</u></b>	<b>16</b>		
Security And Other Deposit		1038767	1038767
Prepaid Expenses		1153540	971670
<b>Total</b>		<b>2192307</b>	<b>2010437</b>
<b><u>17.REVENUE FROM OPERATIONS</u></b>	<b>17</b>		
<b><u>SALES OF PRODUCTS</u></b>			
Export Sales		204767195	169360890
Domestic Sales		28788373	47974321
<b>Sub Total</b>		<b>233555568</b>	<b>217335211</b>
<b><u>OTHER OPERATING REVENUE</u></b>			
Focus /VKUY Script License Transfer		7959381	7860971
Export Incentive & Other Benefits		4470592	2861417
Exchange Rate Difference/Forward Contract Income		1442823	7635877
<b>Sub Total</b>		<b>13872796</b>	<b>18358265</b>
<b>Total</b>		<b>247428363</b>	<b>235693476</b>
<b><u>18. OTHER INCOME</u></b>	<b>18</b>		
Interest Income		10949470	8644292
Dividend		2548465	1185181
Net Gain on Sale of Investment		47,579	-
Profit on sale of fixed Assets		136379	1,43,992
Rent		513500	894058
Sundry balance W/Back		624295	1,36,525
Interest on Refund of Income Tax		0	1,35,000
Misc.Other Income		504254	773179
<b>Total</b>		<b>15323943</b>	<b>11912227</b>
<b><u>19.COST OF MATERIAL CONSUMED</u></b>	<b>19</b>		
<b><u>OPENING STOCK</u></b>			
Raw Material		34658979	38619912
Stores & Consumables		1807434	2155119
Packing Material		6347796	4968978
<b>Sub Total</b>		<b>42814208</b>	<b>45744008</b>



**PURCHASES**

Raw Material	21235663	18418076
Semi Finished Goods	87552246	96508919
Packing Material	8170267	6212213
Stores & Consumables	6888120	1852783
<b>Sub Total</b>	<b>123846296</b>	<b>122991991</b>

**CLOSING STOCK**

Raw Material	40880969	34658979
Stores & Consumables	2649023	1807434
Packing Materials	3927655	6347796
<b>Sub Total</b>	<b>47457647</b>	<b>42814208</b>

**Cost of Material Consumed**

**119202858      125921791**

**20.Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

**20**

**OPENING STOCK**

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

**CLOSING STOCK**

Finished / Semi Finished Goods	91515558	82363998
Export Merchandise in Transit	3526657	4515020
<b>Sub Total</b>	<b>95042215</b>	<b>86879019</b>

**(Increase)/Decrease**

**-8163196      -32909268**

**21.MANUFACTURING EXPENSES**

**21**

Bead & Handicraft Manufacturing & Finishing Expenses	28646343	33632901
Power & Fuel	5472220	6191254
Freight,Custom Duty & Clearing Exp	4288979	2542295
<b>Sub Total</b>	<b>38407542</b>	<b>42366451</b>

**22.EMPLOYEE BENEFIT EXPENSE**

**22**

Salaries & Wages	27363646	24432144
Bonus to Employees	3158798	1884193
Providend & ESI Fund	3295102	3296462
EDLI, Training and Gratuity	1627817	1267647
Staff Welfare Expenses	629662	522117

**Total**

**36075025      31402563**

**23. FINANCIAL COST**

**23**

Interest paid to bank	42,65,731	1022282
Exchange Rate Difference on Foreign Currency Loan	16,06,844	-

**Total**

**5872574      1022282**





**24.OTHER EXPENSES**

24

**EXPORT & SELLING EXPENSES**

Foreign Traveling Expenses	5861124	8059432
Export / Local Freight & Shipping Expenses	7738160	6346220
Trade Fair exp	3526736	2936822
Local Traveling Expenses	852216	675826
Other Selling Expenses	1460653	589068

**Sub Total**

**19438890**      **18607367**

**REPAIR & MAINTENANCE**

Building	2603542	479725
Machinery	3261094	2043992
Vehicle & Others	1706661	1312182

**Sub Total**

**7571297**      **3835899**

**ADMINISTRATIVE EXPENSES**

Insurance	1094892	885014
License & Fees	94005	169801
Membership & Subscription	22714	52549
Communication Charges	602201	530969
Conveyance Charges	28004	35478
Printing & Stationery	728848	554799
Professional & Legal Expenses	1699651	1463569
Share Listing, Depository & Registrar Exp	653721	328892
Vehicle Running & Maintenance	731415	1034202
Bank Charges	838269	868956
Director Sitting Fees	46000	42000
Postage exp	133667	78386
Others	1275557	1286789

**Payment to Auditor**

As Auditor	85875	84270
For Tax/VAT Audit Fees	22850	30899
For Income Tax Related Services Fees	41045	33711
For Certification / Quarterly Review Fees	50681	51685

**Sub Total**

**8149395**      **7531969**

**Total**

**35159582**      **29975235**



**25. RAW MATERIALS CONSUMED**

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>Rs. In lacs</u>	<u>Rs. In lacs</u>
Glass & Other Raw Materials	15013673	22379009
Misc Raw Beads, Handicraft , Fabric & Other materials	87552246	96508919
Store	6046531	2200468
Packing	10590408	4833395
Total	<u>119202858</u>	<u>125921791</u>

**COMPOSITION OF MATERIAL CONSUMED**

	<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
	<u>%</u>	<u>VALUE Rs. In Lacs</u>	<u>%</u>	<u>VALUE Rs. In Lacs</u>
Indigenous	85.29%	101665731	74.05%	93240571
Imported	14.71%	17537127	25.95%	32681220
	<u>100.00</u>	<u>119202858</u>	<u>100.00</u>	<u>125921791</u>



**26. Contingent Liabilities not provided for:**

- (i) Letter of credit opened with Banks : Rs. NIL (Previous year: Rs. NIL)
- (ii) Bank Guarantees outstanding : Rs. NIL (Previous Year-Rs. NIL)
- (iii) For Managing Director Remuneration : Rs. 53.76 Lakhs

(The company has not paid any remuneration to Sri Ashok Kumar Gupta, Chairman and managing director for want of approval of Ministry of Corporate Affairs and if the approval is granted from the date of re appointment, then the company will have to pay remuneration of Rs 48.00 Lakhs and provident fund contribution amounting to 5.76 Lakhs)

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

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

**27. Related Party Disclosures:**

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

**Details of Transactions:**

**RELATED PARTY TRANSACTION DETAILS 2015-16**

Sl. No.	NAME	Nature of Relation	Nature of Transaction	Value of Transaction entered during the year	Amount of Outstanding Items as on Balance Sheet
1	Directors (Executive)				
	Ashok Kumar Gupta	Director(Executive)	Remuneration including P.F.	0	0
	Siddharth Gupta	Director(Executive)	Remuneration including P.F.& LTC	1769651	0
	Shalini Chandra	Director(Executive)	Remuneration including P.F.	672000	0
2	Independent Directors				
	Ashok Kumar Kapoor	Independent Director	Sitting Fees	17000	0
	Praveen Singh	Independent Director	Sitting Fees	13000	0
	Tanmay Deva	Independent Director	Sitting Fees	16000	0
3	Jai Singh	Chief Financial Officer	Remuneration including EPF	423360	0
	R. K. Singh	Company Secretary	Remuneration including EPF	692112	0
4	Banaras Beads Exports Ltd		Sales	35000	0
			Purchase	490975	0
			Advance Transaction	0	0
5	Banaras Glass Beads Limited		Sales	12108609	0
			Purchase	11781100	0
			Advance Transaction	0	0
6	Mathur Vaishya Jan Kalyan trust		Expenses	58106	0
7	BBL Beads Limited		Share Purchase	Nil	875000
			Rent Security	450000	450000
8	Mangalam Hospitality India Limited			Nil	0
9	R.K. Impex Pvt Limited			Nil	0



9	Nandi Export Pvt. Ltd			Nil	0
10	Banaras Beads Business P. Ltd		Share Purchase	15300000	35580000
11	Taurus Construction Pvt. Ltd.			Nil	Nil
12	Omini Marketing Pvt. Ltd.			Nil	Nil
13	Industrial Auto Mobiles & Fuels Ltd.			Nil	Nil
14	Kandoi & Gupta Finance and Investment co.(P) Limited			Nil	Nil
15	Ram Gulam Kanhaiya Lal Charitable trust			Nil	Nil

\* Refer note number 26 also.

**28. Earning per share:**

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

	<u>2015-2016</u>	<u>2014-2015</u>
Net Profit attributable to shareholders (Rs.) :	43153586	16068151
Weighted average numbers of equity shares :	6636222	6636222
Basic earning per share of Rs. 10/- each (Rs.) :	6.50	2.42

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

	Current Year (Rs.)	Previous Year (Rs.)
<b>A. Chairman &amp; Director (Ashok Kumar Gupta)</b>		
Salaries	0*	0*
Contribution to Provident Fund	0*	0*
<b>B. CEO &amp; Managing Director (Siddharth Gupta)</b>		
Salaries	1488000	1488000
Contribution to Provident Fund	178560	178560
Leave Travel Concession	103091	0
<b>C. Executive Director (Shalini Chandra)</b>		
Salaries	600000	50000
Contribution to Provident Fund	72000	6000
<b>D. Chief Finance Officer (Jai Singh)</b>		
Salaries	378000	90000
Contribution to Provident Fund	45360	10800
<b>E. Company secretary (R.K. Singh)</b>		
Salaries & Allowances	627600	600000
Contribution to Provident Fund	64512	61200

\* Refer note number 26 also.

30. The company had participated in auction as made by Hariyan Urban Development Authority (HUDA) on 07.11.2007 and was allotted hotel site at Gurgaon in Sector 10A under auction of Rs. 16.05 Crores. The company has paid total Rs. 13.49 Crores against the said allotment. But after repeated request, HUDA did not issue possession certificate, resultantly the company is having no option and decided to take refund of total amount paid to HUDA of Rs.13.49 Crore with interest without any deduction. But HUDA refunded only Rs. 11.88 Crores on 30.05.2012 by deducting 10%. Of amount paid The Company has filed writ petition vide no 9181 of 2014 against HUDA and others for illegal deduction of 10 % and nonpayment of interest. The Hon'ble High Court has given the verdict in favour of the company and HUDA has refunded the amount deducted and interest amounting to Rs.476.52 Lakhs which has been shown as Extra ordinary Income in the Profit & Loss account.

31. 2.51 Hectare land of the company situated at Village Karna dandi and Bairion, near Tadia, Varanasi have been acquired by Varanasi Development Authorities in Transport Nagar Scheme and the company has challenged the Acquisition order before Houn'able Allahabad High Court and Status Quo has been ordered the Houn'able High Court. The company is still in possession of the land.



32. Income Tax Refunds of various years amounting to Rs. 107.89 Lakhs are due to be received from Income tax Authorities. The amount of actual Refunds and interest due on them are being determined by the Income Tax Authorities. Accounting for Interest to be received will be made as and when determined by the Income Tax Department and received by the company .

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

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

**34. SETTLEMENT OF MANAGEMENT DISPUTES:**

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

**35. NOTING RELATED TO DEPRECIATION**

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives and residual value as specified in Schedule II. Accordingly the unamortised carrying value less residual value is being depreciated / amortised over the revised remaining useful lives..

**C. MISCELLANEOUS NOTES ON ACCOUNTS:**

1. The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Necklaces, Imitation Jewellery etc. all those items form just one Segment. The sell of minor items such as carpets is less then 10% of total sales. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not required.
2. There are no small scale industrial undertakings to whom the Company owes a sum exceeding Rs. one lac which is outstanding for more than 30 days during the year.
3. The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Accounting Standards-2 pertaining to valuation of inventories issued by the Ministry of Corporate Affairs.
4. There is an adequate internal control procedure and internal audit system commensurate with the size of the company and the nature of its business. The Directors have been making consistent efforts to improve such procedures and systems keeping in view the needs of business and experience gained.
5. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
6. In the opinion of the Directors, Currents Assets, and Loans and Advances are approximately of the value, which, if realised, in the ordinary course of business, will not be less than the figure stated in the books of accounts.
7. The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities.
8. The Calls in arrears of Share Capital amounting to Rs.224500 and of Share Premium amounting to Rs. 1605700/- are outstanding since long. None of these amounts relate to the directors or their relatives. The Management has decided not to forfeit such shares for the time being.
9. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.



The certificate features a repeating background pattern of the ICRA logo. At the top center is the ICRA logo, which consists of a blue circle containing the letters 'I', 'C', and 'R' in a stylized arrangement, with 'ICRA' written below it. A dark blue ribbon banner with white text reads 'ICRA SME Rating'. Below the banner, the text states: 'Banaras Beads Limited, Varanasi has been assigned an ICRA SME rating of ICRA SME 2 on July 23, 2015'. Further down, it says 'This rating indicates "The High Credit Quality" this rating is valid till July 22, 2016'. At the bottom left, the date 'Gurgaon September 1, 2015' is printed. At the bottom right, there is a signature and the name 'Vivek Mathur Executive Vice President'.

**ICRA**

**ICRA SME Rating**

**Banaras Beads Limited, Varanasi**  
has been assigned an ICRA SME rating of  
**ICRA SME 2**  
on July 23, 2015

This rating indicates "The High Credit Quality"  
this rating is valid till July 22, 2016

Gurgaon  
September 1, 2015

Vivek Mathur  
Executive Vice President



**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)

36<sup>th</sup> ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 4, 2016 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 six Annual General Meeting of the Company to be held on Thursday, August 4, 2016 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, 2016, 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, 2016, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend of Rs. 2.50 per equity share already paid during the year, for the F.Y. 2015-2016.
3. To appoint a director in place of Mr. Siddharth Gupta (DIN: 00342369), who retires by rotation and being eligible, offers himself for re-appointment as director.
4. Ratification of Appointment of Auditors.

Signed this ..... day of ..... 2016

Signature of shareholder..... Signature of Proxyholder(s).....

Affix One  
Rupee  
Revenue  
Stamp

- 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 jointholders may use copies of this Attendance slip/Proxy.

## BOOK-POST

To,

If undelivered please return to :

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(AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA)

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Phones : 0542-2370161-64 (4 Lines)

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