



41st Annual Report 2020-21



**BANARAS BEADS
LIMITED**

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

From Chairman



PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION

Late Kanhaiya Lal Gupta Ji
(1925-1992)

Dear Shareholders,

It is my privilege to report the Annual results for the F.Y. 2020-2021.

I am happy to state that in this financial year, the company has been able to slightly increase profitability in comparison of previous year despite the continued impact of Covid-19 pandemic and decreased Turnover. This is on account of continuous efforts of Management, support of US based big Customers / (Chain Stores) and improvement in quality and punctuality in execution of orders by the company and team efforts of staff.

Your company is leading Exporter of Glass Beads Handicrafts and its related items and having biggest market in US of its products. Normally the company procure its order by participating in International fare, personal meeting with Foreign Buyers. But due to Covid-19 it is not possible to attend fare/meeting with Buyers. Under these adverse circumstances the company started online meeting with Buyers by showing new developed items to procure orders.

Though COVID -19 has adversely affected business in whole world and of the company, but the company operation is now going on with its more than 90% manpower with ensuring compliances related to Covid-19 guidelines and management hopes to have better result in next year.

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

With best wishes to all.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke.

Ashok Kumar Gupta
Chairman & Managing Director



BOARD OF DIRECTORS

Ashok Kumar Gupta : Chairman & Managing Director
Siddharth Gupta : CEO & Managing Director
Shalini Chandra : Executive Director
Sushil Kumar Kandoi : Independent and Non-executive Director
Anil Kumar Gupta : Independent and Non-executive Director
Manan Kumar Sah : Independent and Non-executive Director

Company Secretary & Compliance Officer

R.K. Singh

KEY MANAGERIAL PERSONNEL

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

REGISTERED OFFICE

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

E-MAIL & WEBSITE FOR INVESTOR

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

GST NUMBER

09AAACB2252L1ZQ
07AAACB2252L1ZU

AUDITORS

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

E-VOTING SCRUTINIZER

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

BANKERS

Kotak Mahindra Bank Ltd.
Bank of Baroda
Axis Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

Mas Services Limited

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

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

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NOTICE

NOTICE is hereby given that 41st 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 Tuesday the 27th July, 2021 at 3.00 P.M. through video conferencing ("VC"), to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statement

To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the year ended March 31, 2021 and the reports of the Board of Directors (the Board) and Auditors thereon.

Item No. 2 – Re-appointment of Director

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

SPECIAL BUSINESS:

Item No. 3: APPROVAL OF INCREMENT IN REMUNERATION OF MR. SIDDHARTH GUPTA, CEO & MANAGING DIRECTOR OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Section 196, 197, 198, 201 and other applicable provisions, if any of the Companies Act, 2013 and companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, Mr. Siddharth Gupta (DIN 00342369) was appointed by members in its meeting held on 08.08.2019 as CEO & Managing Director from 01.02.2019 for further five years. Further the approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Siddharth Gupta (DIN 00342369), CEO & Managing Director of the Company w.e.f. 27.07.2021 for remaining tenure upto 31.01.2024 as under:

i) SALARY:

A salary of Rs. 2,25,000/= (Rupees Two lacs, twenty five thousands only) per month.

ii) PERQUISITES :

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

a. REIMBURSEMENT OF MEDICAL EXPENSES:

Reimbursement of actual medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred in India and abroad for self and family. The total cost of travel to and fro and also for the stay in the foreign country of the patient, an attendant and medical supervision, if required, shall be borne by the Company. For the above purpose, "Family" includes spouse, dependent children and parents.

b. PERSONAL ACCIDENT INSURANCE:

Personal accident insurance covers of an amount, the annual premium of which does not exceed Rs. 25,000.

c. CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:

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

d. GRATUITY / CONTRIBUTION TO GRATUITY FUND

As per the Payment of Gratuity Act 1972 and including any amendment thereto.

e. ENCASHMENT OF LEAVE :

Encashment of leave at the end of the tenure.

f. LEAVE TRAVEL CONCESSION :

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

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

g. USE OF CAR AND TELEPHONE:

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



h. REIMBURSEMENT OF EXPENSES:

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

RESOLVED FURTHER THAT the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to revise, amend, alter remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Siddharth Gupta as CEO & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

“FURTHER RESOLVED THAT Shri Ashok Kumar Gupta, Chairman & Managing Director and or Shri R.K. Singh, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

4. 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 sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time and on the recommendation/approval of Nomination & Remuneration Committee, Audit Committee and the Board of Directors at their meeting held on 27th May, 2021, the consent of Members be and is hereby accorded to the appointment of Mrs. Shivani Gupta, holding office or place of profit, as General Manager-Marketing of the Company, wife of Shri Siddharth Gupta, CEO & Managing Director & daughter in Law of Shri Ashok Kumar Gupta, Chairman & Managing Director, w.e.f. 01st August, 2021 as detailed below:

- Salary: Rs 1,80,000/- (Rs. One Lac Eighty Thousands Only) P.M.
- Telephone: Mobile/Telephone, car facility as per the Company’s rules.
- Leave encashment as per the Company’s rules.
- Provident Fund: Company’s contribution towards Provident.
- Gratuity: Payable at a rate not exceeding half a month’s salary for each completed year of service as per Company’s rules.
- Reimbursement of actual travelling domestic and international, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company’s business.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Shivani Gupta holding office or place of profit, within the maximum limit approved by the shareholders.

“FURTHER RESOLVED THAT Shri Ashok Kumar Gupta, Chairman & Managing Director and or Shri R.K. Singh, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

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

Place : VARANASI
Date : 27. 05. 2021

(R.K.SINGH)
Company Secretary

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 General Circular No. 20/2020 dated May 5, 2020 and Circular no. 02/2021 dated January, 13, 2021 (collectively “MCA Circulars”) and SEBI circular dated May 12, 2020, and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2020/11 dated January 15, 2021 permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 41st AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the 41st AGM through the VC facility provided by Mas Services Limited, Registrar and Share Transfer Agents. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).



5. Corporate Members are required to access the link <https://www.evoting.nsdl.com> and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. The Members seeking to inspect such documents can send an email to investor@bblinvestor.com.
7. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares
8. Members are requested to address all correspondence, including pending dividend related matters, to the RTA, Mas Services Limited, Unit : Banaras Beads Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020.
9. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
10. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Ajay Jaiswal Proprietor of Ajay Jaiswal & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
11. The e-voting period commences on Saturday, July 24, 2021 (9:00 a.m. IST) and ends on Monday, July 26, 2021 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on July 20, 2021 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on July 20, 2021.
12. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
13. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
14. In line with the MCA Circulars, Members may also note that the Notice of the 41st AGM and the Annual Report 2020-21 will also be available on the Company's website, www.bblinvestor.com websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. In case of any queries regarding the Annual Report, the Members may write to investor@bblinvestor.com to receive an email response.
15. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Mas Services Limited at info@maserv.com to receive copies of the Annual Report 2020-21 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report, user ID / password for e-voting and updation of bank account mandate for the receipt of dividend.

| Type of Holder | Process to be followed | |
|----------------|--|---|
| | Registering Email Address | Updating bank account details |
| Physical | Send a signed request to the RTA of the Company, Mas Services Limited at info@maserv.com providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address. | Send a request to the RTA of the Company, Mas Services Limited at T34 2 nd Floor, Okhla Industrial Area Phase-II, New Delhi 110020, with original cancelled cheque (name of shareholder should be printed on it) with copy of PAN (if not provided earlier). |
| Demat | Please contact your DP and register your email address and bank account details in your demat account as per the process advised by your DP | |



16. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of revision in salary of CEO & Managing Director and appointment of General Manager –Marketing having place of profit due to relative of Key Managerial Personnel at the AGM, part of this Notice.
17. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the RTA website at www.maserv.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Mas Services Limited, in case the shares are held in physical form.
19. In case of joint holder attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
20. The Register of Members and Share Transfer /Demat books will remain closed from Wednesday, July 21, 2021 to Tuesday, July 27, 2021 (both days inclusive).
21. Pursuant to the Rule 5(8) of the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on September 10, 2020 (date of last Annual General Meeting) on its website at www.bblinvestor.com and also on the website of the Ministry of Corporate Affairs.
22. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, and RTA and will also be displayed on the Company's and NSDL website, www.bblinvestor.com & evoting.nsd.com.
23. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
24. The instructions for members for remote e-voting and joining general meeting are stated clearly after explanatory statement.
25. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 41st AGM is annexed hereto. All documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investor@bblinvestor.com.

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

Place : VARANASI
Date : 27. 05. 2021

(R.K.SINGH)
Company Secretary



EXPLANATORY STATEMENT:

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

Item No. 3. APPROVAL OF INCREMENT IN REMUNERATION OF MR. SIDDHARTH GUPTA, CEO & MANAGING DIRECTOR OF THE COMPANY:

Mr. Siddharth Gupta, was re-appointed and designated as CEO and Managing Director of the Company by the Board and approved by Members in its Meeting held on 08.08.2019 for a period of 5 years (from 01.02.2019 to 31.01.2024).

Further, considering the contribution of Mr. Siddharth Gupta to the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 27.05.2021, approved the revision in the remuneration of Mr. Siddharth Gupta w.e.f. 27.07.2021 for remaining tenure upto 31.01.2024 on terms and conditions stated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act 2013, the revised remuneration of the Mr. Siddharth Gupta as decided by the board is required to be approved by the members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 read with Schedule V of the Companies Act 2013 .

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

The Members are requested to consider the revision in remuneration of Mr. Siddharth Gupta, CEO & managing Director of the Company. Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

| | | |
|------|---|--|
| I. | General Information | |
| (1) | Nature of Industry | Manufacturing and Export of all kind of Glass Beads, fashion jewellery and accessories and other related items. |
| (2) | Date of expected date of commencement of commercial production | Not Applicable |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable |
| (4) | Financial performance based on given indications: | Performance for F.Y. 2020-21: Rs. In lacs 1. Gross Revenue: 2194.78 2. Profit after Tax: 239.29 3. Dividend: NIL 4. EPS : Rs. 3.61 |
| (5) | Foreign investments or collaborations, if any: | N.A. |
| II. | Information about the appointee | |
| (1) | Background details: | Mr. Siddharth Gupta is BA (Hons) Glass from University of Wolverhampton, UK and having more than fifteen year experience of marketing and production of Glass Beads, handicrafts, imitation Jewellery, necklace and other related items. |
| (2) | Past remuneration: | The remuneration drawn by Mr. Siddharth Gupta during the past one year i.e. 2020-21 is as follows: Salary Rs. 1488000 EPF contribution Rs. 178560 |
| (3) | Recognition or awards: | N.A. |
| (4) | Job Profile and his suitability | Mr. Siddharth Gupta shall be responsible to conduct and manage business and others works of the Company and he shall perform such other duties as shall from time to time be entrusted to him subject to the superintendence, guidance and control of the Board of Directors of the Company. |
| (5) | Remuneration proposed | As mentioned in the Resolution stated above |
| (6) | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): | Considering the responsibility taken by him of the enhanced business activities of the company, proposed remuneration is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses. |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: | Son of Sri Ashok Kumar Gupta, Chairman & Managing Director. |
| III. | Other Information: | |
| | Fathers name | : Shri Ashok Kumar Gupta |
| | Date of Birth | : 01.03.1983 |



| | | |
|-----|--|--|
| | Nationality | : Indian |
| | Qualifications | : Graduate (University of Wolverhampton, UK) |
| | Permanent Account No. | : AGEPG1158R |
| | Director Identification No. | : 00342369 |
| | List of directorship held in other Company(s) | - Mangalam Hospitality India Limited. - Banaras Glass Beads Limited |
| | Chairperson of Board committees | Risk Management Committee |
| | Member of board committee | Risk Management Committee |
| | Shareholding in the company | 701000 shares |
| (1) | Reasons of loss or inadequate profits: | Globally adverse impact of Covid-19 and recession in demand of fashionable items of Glass beads and other related items. The proposed remuneration is not falling within the limits specified under Section 197 of the Companies Act. However, the same is in line with the Industry Standards for managerial personnel falling under the same cadre in Schedule -V of the Companies act. |
| (2) | Step taken or proposed to be taken for improvement: | Management has taken reasonable steps |
| (3) | Expected increase in productivity and profits in measurable terms: | Hope for betterment in coming periods. |

Pursuant to the applicable provisions of the Companies Act 2013, and the relevant rules made there under, consent of members is being sought by way of a Special Resolution.

Mr. Siddharth Gupta is Son of Sri Ashok Kumar Gupta, Chairman & Managing Director and except that none of the promoters, directors, key managerial personnel or others are interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at item No. 3 of the Notice.

ITEM NO. 4:

The provisions of section 188(1) of the Companies Act, 2013 that the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, and Audit Committee, in meeting held on 24th May, 2021 had recommended/approved the appointment of Mrs. Shivani Gupta as General Manager-Marketing w.e.f. 1st August, 2021, subject to approval of the Shareholders by way of an Ordinary Resolution. The details of the remuneration payable to Mrs. Shivani Gupta is given in the resolution no. 04. She is Post Graduate Diploma in Management and having more than ten years experience of marketing and finance. As per section 188(1)(f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Shri Siddharth Gupta, CEO & Managing Director and Shri Ashok Kumar Gupta, Chairman & Managing Director of the company, being relatives are deemed to be interested or concerned in the concerned resolution.



THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 24.07. 2021 at 09:00 A.M. and ends on 26.07. 2021at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20.07.2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20.07.2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below.

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li data-bbox="703 685 1466 992">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="703 1021 1466 1104">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="703 1155 1466 1462">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> <li data-bbox="703 1498 1466 1637">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. <li data-bbox="703 1666 1466 1749">2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. <li data-bbox="703 1778 1466 1830">3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <li data-bbox="703 1859 1466 2024">4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |



| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by 7 Digit Folio Number registered with the company For example if folio number is 1*** and EVEN is 101456 then user ID is 101456000001*** and if folio no. is B-1 then user ID is 101456B000001 |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**



6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to workroc@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rksingh@banarasbead.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rksingh@banarasbead.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at rksingh@banarasbead.com. The same will be replied by the company suitably.

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

Place: VARANASI
Date : 27. 05. 2021

(R.K.SINGH)
Company Secretary



DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the 41st Annual Reports together with the Audited Financial Statements of the Company for the year ended on 31st March' 2021.

FINANCIAL RESULTS:

| | 2020-2021 | 2019-2020 |
|--------------------------------------|----------------------|----------------------|
| | (Rs. in lacs) | (Rs. in lacs) |
| Revenue from Operations | 2047.08 | 2578.06 |
| Net Profit Before Taxation | 317.41 | 323.26 |
| Net Profit after taxation | 239.29 | 234.16 |
| Balance of Profit & Loss Account B/F | 1698.97 | 1469.30 |
| <u>APPROPRIATIONS:</u> | | |
| Transfer to General Reserve | 0.00 | 0.00 |
| Dividend Paid | 0.00 | 0.00 |
| Tax on Dividend paid | 0.00 | 0.00 |
| Taxes of earlier Years | 0.81 | 4.49 |
| Balance of Profit & Loss Account C/F | 1937.45 | 1698.97 |

OPERATION / PERFORMANCE:

During the year revenue from operations of your Company decreased by 20.60% at Rs. 2047.08 lacs as compared to Rs. 2578.06 lacs in the corresponding period of the previous year and Profit after Tax increased by 2.20% at Rs. 239.29 lacs as compared to Rs.234.16 lacs in the corresponding period of the previous year.

EFFECT OF COVID-19 PANDEMIC

Covid-19 had certainly negative impact on the export business. Being the Manufacturer and Exporter of fashionable items, its business is affected by the market condition, transportation problems, demand and policy of the various countries. However, the company is not expecting much impact during current year as orders are not being cancelled by the Foreign Buyers/Stores. Detail disclosure is given in note number 50 of notes on accounts.

DIVIDENDS:

Based on the Company's performance during the year 2020-21, the Board of Directors decided not to recommend declaration of dividend.

TRANSFER TO RESERVES

No amount has been transferred to reserve. The closing balance of the retained earnings of the Company for F.Y. 2020 - 2021, after all appropriation and adjustments was 1937.45 lacs.

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

ADOPTION OF IND AS:

The financial year 2017-18.



PENDING PETITION WITH NCLT:

The Special Leave Petition vide no. 25165-25166/2007 had been disposed off by Hon'ble Supreme Court on 11.04.2018. The company had already complied and executed all the direction given by Hon'ble Company law Board in its order dated 05.09.2007 and nothing is pending to be complied by the company and accordingly disclosed in Annual Report made thereafter. However Mr. Raj Kumar Gupta, ex-director of the company, who had not challenged CLB orders has filed an Execution Petition No. 424/2018 before Hon'ble NCLT to get property of the company situated at Expo Mart, Greater NOIDA, which was neither part of CLB Petition No. 14/1999 nor mentioned in the list of properties to be transferred to 1st Petitioner (Mr. Raj Kumar Gupta group) in CLB final order dt. 04.07.2007 and modified order dt. 03.08.2007. Mr. Raj Kumar Gupta Ex-director of the company had already made an application to get this property before Hon'ble Supreme Court in SLP No. 935-936/2010 and Hon'ble Supreme Court finally dismissed the SLP with all pending applications. Thus after final order of Hon'ble Supreme Court, the Management does not reasonable expect that the Execution Petition, when ultimately concluded and determined, will have any material and adverse effect on the Company's results of operations or financial condition. Due to continuous impact of Covid-19, the Hon'ble NCLT Allahabad has not yet heard Execution Petition 424/2018 filed by Mr. Raj Kumar Gupta and the same is still pending.

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:

INDUCTIONS AND RETIREMENTS / CESSATION OF DIRECTORS

During the financial year no one director ceased / completed his tenure as director or appointed as an additional director

Shri Ashok Kumar Gupta retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

Pursuant to the provisions of Section 203 of the Act, Shri Siddharth Gupta, Chief Executive Officer and Managing Director, Shri Ashok Kumar Gupta, Chairman & Managing Director, Shri R.K. Singh, Company Secretary and Mr. Vinay Kumar Piyush, Chief Finance Officer. Smt. Shalini Chandra, Executive Director (Lady Director).

Mr. Shushil Kumar Kandoi, Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah are Independent Directors.

INCREASING IN SALARY OF MR. SIDDHARTH GUPTA CEO & MANAGING DIRECTOR.

The Board has recommended to increase salary of Mr. Siddharth Gupta from Rs. 1,24,000/- to Rs. 2,25,000/- per month alongwith other facilities keeping his contribution to the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board, subject to approval of the members. The relevant detail stated in the Notice of the AGM.

Mr. Siddharth Gupta is Son of Sri Ashok Kumar Gupta, Chairman & Managing Director and except that none of the promoters, directors, key managerial personnel or others are interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at item No. 3 of the Notice.

BOARD EVALUATION:

The Board of Directors has carried out on 24.06.2020 and on 28.01.2021 during the year evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

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

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

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

In separate meetings 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 and same is available on www.bblinvestor.com.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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



AUDIT COMMITTEE

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

AUDITORS:

At the thirty seventh AGM held on 28th September, 2017 the members approved appointment of M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 42nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM and a note in respect of the same has been included in Notice for this AGM.

AUDITOR'S REPORT

The Statutory Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITOR:

The Board has appointed M/s Ajay Jaiswal & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March 2021 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.

VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. The details of the policy is also available on www.bblinvestor.com.

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 31.03.2021 is attached as Annexure- II with this Report.

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

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

- a) **Conservation of Energy :**
The operations of the Company involve low energy consumption. The solar power plant of 150 KVA is properly working and saving grid electricity. During the year 156210 KWH power generated and approx. 65000 KWH transferred to UP electricity board by this way approximately saving of around Rs. 12.49 lacs made to the company against electric charges.

The other adequate measures are being taken to conserve the energy.
- b) **Technological Absorption:**
The Company upgrades its technological inputs time to time 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 1560.86 lakhs from Exports of Glass Beads, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs.122.37 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 ends of the financial year to which this financial statements relate on the date of this report.



SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

NUMBER OF MEETING OF BOARD

Four Board Meetings were held during the F.Y. on 25th June 2020, 30th July 2020, 29th October, 2020, and 28th January 2021.

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.

There has been no change in the circumstances affecting their status as independent directors of the Company.

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

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 31.03.2021, 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 is as 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 or interest was outstanding as of the balance sheet date.

FINANCE

The Company has taken credit facility by way of working capital limit from Kotak Bank Ltd. of Rs. 1000.00 lakhs and the amount of loan outstanding as on 31.03.2021 was Rs. 432.77.

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, 2021.

DISCLOSURE REQUIREMENTS

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

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

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

TRANSACTIONS WITH RELATED PARTIES.

All the transactions are done at arm length price during ordinary course of business. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III** in Form AOC-2 and the same forms part of this report.

PARTICULARS OF CONTRACT U/S 188

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

During the period under review, the Company had not entered into any material transaction with any of its related parties that may have potential conflict with the Company's interests at large. Although all the transactions with related parties are done at arm length price and in compliance of Ind AS 24 the disclosure of transactions with related parties are set out in Note No. 32 of Financial Statements which is forming part of the Annual Report.

- b. **APPOINTMENT OF GENERAL MANAGER- MARKETING IN PLACE OF PROFIT –**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 26th May 2021 and Audit Committee, at their meeting held on 24th May, 2021 had approved the appointment of Mrs. Shivani Gupta as General Manager-Marketing w.e.f. 1st August, 2021, subject to approval of the Shareholders by way of an Ordinary Resolution in proposed AGM. She is Post Graduate Diploma in Management and having more than ten years experience of marketing and finance. As per section 188(1)(f) of the Companies Act, 2013, your Directors recommend the resolution for approval by members.

Shri Siddharth Gupta, CEO & Managing Director and Shri Ashok Kumar Gupta, Chairman & Managing Director of the company, being relatives are deemed to be interested or concerned in the concerned resolution.



CORPORATE SOCIAL RESPONSIBILITY.

The Provision of Section 135 of Companies Act 2013 concerning with Corporate Social Responsibility is not applicable during the F.Y. 2020-21.

TRANSFER TO IEPF ACCOUNT

During the year the company has transferred unclaimed dividends and related shares in to IEPF account i.e. Interim unclaimed dividend for F.Y. 2012-13 amounting Rs. 702622/- and corresponding 13080 shares of 120 shareholders on 13.05.2020.

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 no calls in arrear has been realised from any shareholders. The paid-up capital Rs. 66139220 and balance calls in arrears are @ Rs. 5 per share on 44600 shares amounting to Rs. 223000/-

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.

QUALITY INITIATIVES AND SOCIAL AUDIT

The Company continues to sustain its commitment on quality control with new technology and reduction of cost. The Company successfully completed the Audits done by BQC certificates for its product specifically quality certifications viz., ISO 9001-2015.

The Company has also successfully completed Factory/Social Audit SA8000 done by British Standards Institution (BSI) in the month of May, 2021 and they have accorded GREEN status/rating till May, 2022.

COMPLAINTS PERTAINING TO SEXUAL HARASSMENT:

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the Business responsibility report of this Annual Report.

PARTICULARS OF EMPLOYEES:

The details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 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 2020-21 in Rs | % increase in Remuneration in the Financial Year 2020-21 | Ratio of remuneration of each Director/to median remuneration of employee | Comparison of the Remuneration of the KMP against the performance of the Company |
|---------|---|---|--|---|---|
| 1 | Ashok Kumar Gupta Chairman & Managing Director | 2421600 | NIL | 26.44 | Profit before Tax has decreased by 1.81% and after tax increase by 2.20 % in Financial year 2020-21 in comparison to previous financial year. |
| 2 | Siddharth Gupta CEO & Managing Director | 1666560 | NIL | 18.20 | |
| 3 | Shalini Chandra Executive Director | 672000 | NIL | 7.34 | |
| 4 | Ramesh Kumar Singh Company Secretary | 850944 | NIL | 9.29 | |
| 5 | Vinay Kumar Piyush Chief Finance Officer | 389760 | NIL. | 4.26 | |

- ii) The median remuneration of employees of the Company during the financial year 2020-21 is Rs.73517 and in Financial Year 2019-20 was Rs. 91579.

- iii) In the financial year, there was decrease of 19.72 % (previous year decrease of 1.42%) in the median remuneration of employees;

- iv) There were 257 permanent employees on the rolls of Company as on March 31, 2021;

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

The Profit before Tax for the financial year ended March 31, 2021 decrease by 1.81 % and decrease in median remuneration was 19.72%.



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 nil from 60.00 lacs (annualised) in 2019-20 to 60.00 lacs in 2020-21 whereas the Profit before Tax decreased by 1.81 % to 317.41 lacs in 2020-21 (323.26 lacs in 2019-20) .

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

The market capitalisation as on March 31, 2021 was Rs.3278.29 lacs (Rs. 1981.32 lacs as on March 31, 2020).

b) Price Earnings ratio of the Company was 13.68 as at March 31, 2021 and was 8.07 as at March 31, 2020.

vii) Average percentage increase was made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 is 6.95 % and in the managerial remuneration increase for the last financial year was NIL.

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

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

TRADING OF SHARES UNDER “B” GROUP AND PENALTY NOTICE FOR NON DISCLOSURE OF RELATED PARTY TRANSACTION FOR QUARTER / HALF YEAR ENDED ON 30.09.2020 :

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

The BSE and NSE have sent its notice dated 18.01.2021 to impose penalty amounting Rs. 283200 by each stating that company has not submitted related party disclosure under Regulation 23(9) for quarter/half year ended on 30.09.2020. In this regard company submitted its reply on 19.01.2021 stating that the related party disclosure for the quarter/half year ended 30.09.2020 was uploaded at BSE and NSE portal on 10.10.2020 and the same was duly showing on BSE and NSE portal. Company has also requested to waive such penalty as the relevant disclosure had been already made by company. Thereafter no further information received from BSE and NSE.

ACKNOWLEDGMENT:

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

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

Place : VARANASI
Date : 27.05.2021

(Ashok Kumar Gupta)
Chairman & Managing Director



ANNEXURE- I TO DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT OF BANARAS BEADS LIMITED, VARANASI FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021.**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Regulation 24A of SEBI (LODR) Regulations 2015

To,
The Members,
Banaras Beads Limited
Varanasi

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

Based on our verification of the Banaras Beads Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 and made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- 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 (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s).
- (iii) All the applicable provisions of law including ESIC, EPF, Labour laws,

and based on the above examination, **we report that**, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr.No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|-------|--|------------|---|
| | All complied | NIL | NIL |

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if |
|---------|-----------------|----------------------|---|---|
| | NIL | NIL | NIL | NIL |



(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended ... <i>(The years are to be mentioned)</i> | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|---|--|--|
| | No adverse action | NIL | NIL | NIL |
| | | | | |

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

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

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

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

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

Place: Varanasi
Date: 24.05.2021

Ajay Jaiswal & Co.
Company Secretaries
Sd/-
(Ajay Jaiswal)
C P No.: 3684
UDIN: F005112C000362832



(This report is to be read with Annexure A which forms an integral part of this report)

Annexure A

To,
The Members,
Banaras Beads Limited
A-1, Industrial Estate, Varanasi, U.P.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Varanasi
Date: 24.05.2021

Sd/-
Ajay Jaiswal & Co.
Company Secretaries
(Ajay Jaiswal)
C P No.: 3684
UDIN: F005112C000362832



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Banaras Beads Limited
A-1 Industrial Estate, Varanasi,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Banaras Beads Limited having CIN L01131UP1980PLC004984 and having registered office at A-1, Industrial Estate, Varanasi-221106 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl No. | Name of Directors | DIN | Date of appointment in Company |
|--------|---------------------|----------|--------------------------------|
| 1 | ASHOK KUMAR GUPTA | 00016661 | April 10, 1980 |
| 2 | SIDDHARTH GUPTA | 00342369 | August 5, 2010 |
| 3 | SHALINI CHANDRA | 01036394 | March 1, 2015 |
| 4 | SUSHIL KUMAR KANDOI | 08664771 | January 17, 2020 |
| 5 | ANIL KUMAR GUPTA | 00895938 | January 17, 2020 |
| 6 | MANAN KUMAR SAH | 00702864 | January 17, 2020 |

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Varanasi
Date: 24.05.2021

Sd/-
Ajay Jaiswal & Co.
Company Secretaries
(Ajay Jaiswal)
C P No.: 3684
UDIN: F005112C000362801



ANNEXURE-II TO DIRECTOR REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2021

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Handicraft items like Glass Beads Necklaces, Imitation Jewellery | 2310 and 3212 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|-------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| NIL | | | | | |

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2020 | | | | No. of Shares held at the end of the year 31.03.2021 | | | | % Change during the year |
|----------------------------|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Indiv/HUF | 3835592 | 0 | 3835592 | 57.80 | 3835592 | 0 | 3835592 | 57.80 | 0 |
| h) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) State Govt (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| k) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| l) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (1):- | 3835592 | 0 | 3835592 | 57.80 | 3835592 | 0 | 3835592 | 57.80 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other – | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



| | | | | | | | | | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------|
| Individuals | | | | | | | | | |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | | | | | | | | | |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 3835592 | 0 | 3835592 | 57.80 | 3835592 | 0 | 3835592 | 57.80 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 20 | 0 | 20 | 0.00 | 30 | 0 | 30 | 0.00 | 0 |
| b) Banks / FI | 00 | 0 | 00 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| g) FII's | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-total (B)(1):- | 20 | 0 | 20 | 0.00 | 30 | 0 | 30 | 0.00 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 175468 | 5840 | 181308 | 2.73 | 31411 | 5840 | 37251 | 0.56 | -2.17 |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 764077 | 273545 | 1037622 | 15.64 | 929971 | 261045 | 1191016 | 17.95 | +2.71 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 266239 | 1650 | 267889 | 1.01 | 226942 | 1350 | 228292 | 3.44 | +2.43 |
| c) Others (specify) non-resident Indian./OCB | 4768 | 0 | 4768 | 0.07 | 7686 | 0 | 7686 | 0.11 | +0.04 |
| d) Any other (specify) clearing member | 2727 | 0 | 2727 | 0.04 | 17119 | 0 | 17119 | 0.26 | +0.22 |
| e) Any other (specify) Employee | 280 | 810 | 1090 | 0.02 | 330 | 620 | 950 | 0.01 | -0.01 |
| f) Any other (specify) Directors and relative | 33580 | 4580 | 38160 | 0.58 | 33580 | 4580 | 38160 | 0.58 | 0.00 |
| g) NBFCs regt.with RBI | 220 | 0 | 220 | 0.00 | 220 | 0 | 220 | 0.00 | 0 |
| e) Trust | 1072010 | 0 | 1072000 | 16.15 | 1072010 | 0 | 1072010 | 16.15 | 0 |
| f) Any other IPF | 194816 | 0 | 194816 | 2.94 | 207896 | 0 | 207896 | 3.13 | +0.19 |
| Sub-total (B)(2):- | 2514185 | 286425 | 2800610 | 42.20 | 2527165 | 273435 | 2800600 | 42.20 | 0 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 2514205 | 286425 | 2800630 | 42.20 | 2527195 | 273435 | 2800630 | 42.20 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 6349797 | 286425 | 6636222 | 100.00 | 6362787 | 273435 | 6636222 | 100.00 | 0 |

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the |
|--------|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--------------------------------------|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total | |
| | | | | | | | | |



| | | | | shares | | | shares | year |
|---|--|--------|-------|--------|--------|-------|--------|------|
| 1 | ASHOK KUMAR GUPTA | 863402 | 13.01 | NIL | 863402 | 13.01 | NIL | NIL |
| 2 | REKHA GUPTA | 739830 | 11.15 | NIL | 739830 | 11.15 | NIL | NIL |
| 3 | ASHOK KUMAR GUPTA HUF | 544920 | 8.21 | NIL | 544920 | 8.21 | NIL | NIL |
| 4 | PRASHANT GUPTA/ ASHOK KUMAR GUPTA (joint) | 472540 | 7.12 | NIL | 472540 | 7.12 | NIL | NIL |
| 5 | SHIVANI GUPTA | 350110 | 5.28 | NIL | 513900 | 7.74 | NIL | NIL |
| 6 | SIDDHARTH GUPTA | 701000 | 10.56 | NIL | 701000 | 10.56 | NIL | NIL |
| 7 | DEEPALI GUPTA* | 163790 | 2.47 | NIL | NIL | NIL | NIL | NIL |

* inter say transfer of 163790 shares from one promoter group Member Smt. Dipali Gupta to another Member MRs Shivani Gupta between promoter group promoter group Member).

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 3835592 | 57.80 | 3835592 | 57.80 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change in overall shareholding of the promoters (except inter say transfer of 163790 shares from one promoter group Member Smt. Dipali Gupta to another Member MRs Shivani Gupta promoter group Member). | | | |
| | At the End of the year | 3835592 | 57.80 | 3835592 | 57.80 |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| 1 | RAM GULAM KANHIYA LAL CHARITABLE TRUST | 1072010 | 16.15 | 1072010 | 16.15 |
| 2 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF) | 194816 | 2.94 | 207896 | 3.13 |
| 3 | MITA DIPAK SHAH | 100000 | 1.51 | 100000 | 1.51 |
| 4 | HARI PRAKASH GUPTA | 44750 | 0.67 | 39750 | 0.60 |
| 5 | H.V. GUPTA | 36945 | 0.56 | 33850 | 0.51 |
| 6 | UMA JAIN | 32570 | 0.50 | 32570 | 0.50 |
| 7 | MUNNI LAL | NIL | NIL | 22122 | 0.33 |
| 8 | VIKALP KUMAR | NIL | NIL | 20000 | 0.30 |
| 9 | SHIV KUMAR AGRAWAL | NIL | NIL | 18456 | 0.28 |
| 10 | GUNTUPALLI HARISH | NIL | NIL | 17544 | 0.26 |
| 11 | PRASHANT GLASS WORKS PRIVATE LIMITED | 92795 | 1.40 | NIL | NIL |
| 12 | BANARAS BEAD BUSINESS PRIVATE LIMITED | 60269 | 0.91 | NIL | NIL |
| 13 | KRISHNA JHANWAR | 32880 | 0.50 | NIL | NIL |
| 14 | RAMIT RAJENDER BHARDWAJ | 20744 | 0.31 | NIL | NIL |



(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | 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 |
| | Shri Ashok Kumar Gupta | 863402 | 13.01 | 863402 | 13.01 |
| | Shri Siddharth Gupta | 701000 | 10.56 | 701000 | 10.56 |
| | Shri Sushil Kuamr Kandoi | 50 | 0.00 | 50 | 0.00 |
| | Shri Anil Kumar Gupta | 1000 | 0.01 | 1000 | 0.01 |
| | Shri Manan Kumar Sah | NIL | NIL | - | - |
| | Shri Ramesh Kumar Singh | 50 | 0.00 | 50 | - |
| | Shri Vinay Kumar Piyush | 130 | 0.00 | 130 | 0.00 |
| | Total at the beginning of the year | 1565632 | 23.59 | 1565632 | 23.59 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | NIL | | | |
| | At the End of the year | 1565632 | 23.59 | 1565632 | 23.59 |

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 | NIL | ---- | ---- | NIL |
| ii) Interest due but not paid | ---- | ---- | ---- | ---- |
| iii) Interest accrued but not due | ---- | ---- | ---- | ---- |
| Total (i+ii+iii) | NIL | ---- | ---- | NIL |
| Change in Indebtedness during the financial year | | | | |
| □ Addition | 1740.00 | | | 1740.00 |
| □ Reduction | 1307.23 | | | 1307.23 |
| Net Change | 432.77 | ----- | ----- | 432.77 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 432.77 | ---- | ---- | 432.77 |
| ii) Interest due but not paid | ---- | ---- | ---- | ---- |
| iii) Interest accrued but not due | ---- | ---- | ---- | ---- |
| Total (i+ii+iii) | ---- | ---- | ---- | ---- |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|---------|-----------------------------|----------------------------|-------------------------|--------------------------|--------------|
| | | Siddharth Gupta (CEO & MD) | Shalini Chandra (E. D.) | Ashok Kumar Gupta (C&MD) | |
| 1. | Gross salary | | | | |



| | | | | | | |
|----|---|----------------|----------------|----------------|--|-----------------|
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1488000 | 600000 | 2400000 | | 4488000 |
| | (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 | | | | | |
| 2. | Stock Option | NIL | NIL | | | |
| 3. | Sweat Equity | NIL | NIL | | | |
| 4. | Commission - as % of profit - others, specify... | NIL | NIL | | | |
| 5. | Others, please specify | NIL | NIL | | | |
| | Total (A) | 1488000 | 600000 | 2400000 | | 4488000 |
| | Ceiling as per the Act | 8400000 | 8400000 | 8400000 | | 25200000 |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---------|--|---------------------|------------------|-----------------|-----------------------|--|--|--------------|
| | | Sushil Kumar Kandoi | Anil Kumar Gupta | Manan Kumar Sah | | | | |
| 1 | Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings (sitting fee) | | | | | | | |
| | Total (1) | 16000 | 18000 | 15000 | | | | 49000 |
| 2 | Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify | NIL | NIL | NIL | | | | NIL |
| | Total (2) | NIL | NIL | NIL | | | | NIL |
| | Total (B)=(1+2) | 16000 | 18000 | 15000 | | | | 49000 |
| | Total Managerial Remuneration | 16000 | 18000 | 15000 | | | | 49000 |
| | Overall Ceiling as per the Act | | | | Only sitting fee paid | | | |

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

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|--------|---------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | 850944 | 389760 | 1240704 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | NIL | NIL | NIL |
| | | | NIL | NIL | |



| | | | | | |
|----|--|--|--------|--------|---------|
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | NIL |
| 2. | Stock Option | | NIL | NIL | NIL |
| 3. | Sweat Equity | | NIL | NIL | NIL |
| 4. | Commission - as % of profit - Others, specify... | | NIL | NIL | NIL |
| 5. | Others, please specify | | | | |
| | Total C(1+2+3+4+5) | | 850944 | 389760 | 1240704 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |

For BANARAS BEADS LTD.,

Place : VARANASI
Date :27.05.2021

(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 2020-2021. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

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

| Sl No. | Particulars | Detail of transaction | | |
|--------|--|---|------------|--|
| a | Name(s) of the related party | Tullu Sale Pvt. Ltd. | | Key Managerial Persons (for detail refer page 25,26 & 27 of board report) |
| | Nature of relationship | Director | | KMP |
| b | Nature of contracts / arrangements / transactions | | | |
| | Sale | | 0 | |
| | Purchase | | 207792 | |
| | Remuneration to KMP | | | 6000864 |
| c | Duration of the contracts / arrangements / transactions | | 2020-21 | 2020-21 |
| d | Salient terms of the contracts or arrangements or transactions including the value, if any | <ul style="list-style-type: none"> Strictly at arm length price Maximum Rs. 2.00 Crores d/y Transaction and payment in ordinary course of business | | As approved by Board/Member as applicable |
| e | Date(s) of approval by the Board, if any | | 17.01.2020 | At various date |
| f | Amount paid as advances, if any | NIL | NIL | NIL |

Note: all related party transactions are benchmarked for arm's length, approved by Audit Committee.

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

Place : Varanasi
Date : 27.05.2021

(Ashok Kumar Gupta)
Chairman & Managing Director



ANNEXURE-IV TO DIRECTOR REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

1. **The composition of the CSR committee:** The Company has a CSR committee of directors comprising Mr. Sushil Kumar Kandoi, Chairman of the Committee, Mr. Anil Kumar Gupta, and Mr. Manan Kumar Sah.
2. The average net profit of the company for last three financial years Rs.1.96 Crore and for immediate preceding financial year is Rs. 1.63 Crore. Hence CSR provisions does not apply during the financial year to the company.
3. **Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):** `NIL.
4. **Details of CSR spent during the financial year:** NA
 - a. **Total amount to be spent for the financial year:** `NA.
 - b. **Amount unspent:** `NIL.
 - c. **Manner in which the amount spent during the financial year:** NA
5. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.** NA.
6. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

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

For BANARAS BEADS LTD.

For BANARAS BEADS LTD.

Place : Varanasi
Date : 27. 05. 2021

(Siddharth Gupta)
CEO & Managing Director

(Sushil Kumar Kandoi)
Chairman
CSR Committee of the Company



MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW:

The statements made in this Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from such expectation whether express or implied. Several factors that could make significant impact on the company's operations include global and supply conditions, input availability and prices, changes in Government regulations, foreign policy, foreign currency, tax laws, economic developments within the country and other factors mainly Covid-19 Pandemic, if continued globally.

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. The company exports its products in U.S.A., U.K., France, Germany, Japan, and other countries with various reputed customers.

OPPORTUNITIES & THREATS:

The company's product is fashionable items which are being made by hand/small machines and take times in production. The products of the company appreciated in International market. But due to Covid-19 Pandemic impact and change of fashion in sort period directly affect demand of products in market. The fluctuation in foreign currency price also affected the profit of the Company. The management has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reduction and widen its marketing network.

SEGMENT:

The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Necklaces, Imitation Jewellery etc.. All those items form just one Segment. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not required.

FINANCIAL / OPERATIONAL PERFORMANCE:

| | 2020-2021 | 2019-2020 |
|--------------------------------------|----------------------|----------------------|
| | (Rs. in lacs) | (Rs. in lacs) |
| Revenue from Operations | 2047.08 | 2578.06 |
| Net Profit Before Taxation | 317.41 | 323.26 |
| Net Profit after taxation | 239.29 | 234.16 |
| Balance of Profit & Loss Account B/F | 1698.97 | 1469.30 |
| <u>APPROPRIATIONS:</u> | | |
| Transfer to General Reserve | 0.00 | 0.00 |
| Dividend Paid | 0.00 | 0.00 |
| Tax on Dividend | 0.00 | 0.00 |
| Taxes of earlier Years | 0.81 | 4.49 |
| Balance of Profit & Loss Account C/F | 1937.45 | 1698.97 |

OUTLOOK:

The Company is developing new items/products and getting order on the basis of same and in coming year's demand of company products will be increased in international and indigenous market.

RISK & CONCERNS:

The main business of your Company is Export business, continuous Globally Covid-19 Pandemic impact may affect business of the Company.

Any further change in duty drawback, DEPB, Exchange Rate, custom duty on import and Government policies would have a direct effect on the profitability of the Company. The management of your Company is hopeful on offsetting any adverse impact by better management abilities.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has developed adequate Internal Control Systems, commensurate to its size and business, which are aimed at achieving efficiency in operations, effective monitoring and optimum utilisation of resources. The Company has appointed Internal auditors to conduct the Internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee. The Company has been accredited with ISO 9001:2015 and follows the prescribed parameters.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year revenue from operations of your Company decreased by 20.60% at Rs. 2047.08 lacs as compared to Rs. 2578.06 lacs in the corresponding period of the previous year and Profit after Tax increased by 2.20% at Rs. 239.29 lacs as compared to Rs.234.16 lacs in the corresponding period of the previous year.

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

Labour relations have been cordial with management without interruption of manufacturing activities. The total number of permanent employees of the company is 247 as on March 31, 2021 and out of which women employees are 111.

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

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

ACCOUNTING STANDARDS:

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

The balance sheet as at March 31, 2021, statement of profit and loss for the year ended March 31, 2021, statement of change in equity and the cash flow statement for the year ended March 31, 2021 read with statements annexed thereto are more relevant for understanding the performance of the company.

For BANARAS BEADS LTD.

Place : VARANASI
Date : 27.05.2021

(Ashok Kumar Gupta)
Chairman & Managing Director



CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) is set out below:

1. COMPANY’S PHILOSOPHY:

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

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 composition of the board is in conformity with Regulation 17 of SEBI Listing Regulation read with section 149 of the companies act, 2013. The profiles of Directors can be found on www.bblinvestor.com.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors is related to each other except Shri Ashok Kumar Gupta and Shri Siddharth Gupta.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The Board’s role, function responsibility, accountability and number of other Directorship and Chairmanship / Membership of Committees of each Director in various other Companies are as follows:

| NAME OF DIRECTOR | Category | NUMBER OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBER/CHAIRMANSHIP | | |
|-----------------------------|--|---|----------------------|------------------------|
| | | Other Directorship | Committee Membership | Committee Chairmanship |
| 1. Shri Ashok Kumar Gupta | Chairman & Managing Director | 3 | 3 | NIL |
| 2. Shri Sushil Kuamr Kandoi | Non-Executive and Independent Director | NIL | 3 | 2 |
| 3. Shri Anil Kumar Gupta | Non-Executive and Independent Director | 2 | 4 | 1 |
| 4. Shri Manan Kumar Sah | Non-Executive and Independent Director | 6 | 3 | 1 |
| 5. Shri Siddharth Gupta | CEO & Managing Director | 3 | NIL | 1 |
| 6. Smt. Shalini Chandra | Executive Director | 2 | 1 | NIL |

3. NUMBERS OF BOARD MEETING HELD:

Four Board Meetings were held during the F.Y. on 25th June 2020, 30th July 2020, 29th October, 2020, and 28th January 2021.

4. ATTENDANCE OF EACH DIRECTORS:

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

| NAME OF DIRECTOR | ATTENDANCE PARTICULARS | |
|-----------------------------|------------------------|----------|
| | Board Meeting | Last AGM |
| 1. Shri Ashok Kumar Gupta | 4 | Yes |
| 2. Shri Siddharth Gupta | 4 | Yes |
| 3. Smt. Shalini Chandra | 3 | Yes |
| 4. Shri Sushil Kumar Kandoi | 4 | Yes |
| 5. Shri Anil Kumar Gupta | 4 | Yes |
| 6. Shri Manan Kumar Sah | 3 | Yes |

5. CODE OF CONDUCT:

The company has made Code of Conduct for its directors, senior management and employees. The said code of conduct is available on the Company’s website www.bblinvestor.com. All the Board Members and senior management of the Company as on March 31, 2021 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO & Managing Director is annexed with this Annual Report.



6. **DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON MARCH 31, 2021 ARE GIVEN BELOW:**

| Name | Category | Number of Equity shares held |
|--------------------------|------------------------------|------------------------------|
| Shri Ashok Kumar Gupta | Chairman & Managing Director | 863402 |
| Shri Siddharth Gupta | CEO & Managing Director | 701000 |
| Shri Shalini Chandra | Executive Director | NIL |
| Shri Sushil Kumar Kandoi | Independent Director | 50 |
| Shri Anil Kumar Gupta | Independent Director | 1000 |
| Shri Manan Kumar Sah | Independent Director | NIL |

The Company has not issued any convertible instruments.

7. **AUDIT COMMITTEE:**

The Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act. by comprising of three Non-Executive Directors viz. Shri Sushil Kumar Kandoi, Chairman, Shri Anil Kumar Gupta and Shri Manan Kumar Sah. The Company Secretary acts as Secretary to the Committee.

The meetings of the Audit Committee were held 22nd June' 2020, 28th July, 2020, 28th October, 2020 and 25th January, 2021 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2020-2021 on 24.05.2021. Mr. Sushil Kumar Kandoi and Mr. Anil Kumar Gupta have attended all the meetings and Mr. Manan Kumar Sah attended three meetings. .

The terms of reference to this committee cover the matters specified for Audit Committee its related matter.

8. **RISK MANAGEMENT COMMITTEE:**

The provision of the Risk Management Committee presently does not apply to the company. However the board constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations and other applicable provisions of the Companies Act by comprising of two Non-Executive Directors and two executive directors viz. Mr. Siddharth Gupta, Mr. Ashok Kumar Gupta, CA Sushil Kumar Kandoi and Mr. Manan Kumar Sah, as its Members and Mr. Siddharth Gupta is the Chairman. The Company Secretary acts as Secretary to the Committee.

9. **NOMINATION AND REMUNERATION COMMITTEE:**

The Committee is constituted under regulation of SEBI as Nomination and Remuneration Committee comprising of Mr.Sushil Kumar Kandoi Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah as its Members. Mr. Manan Kumar Sah, is the Chairman. 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 24thJune' 2020, 29th July, 2020, 28nd October, 2020 & 27th January, 2021 to review remuneration. Mr. Sushil Kumar Kandoi and Mr. Anil Kumar Gupta have attended all the meetings and Mr. Manan Kumar Sah attended three meetings.

REMUNERATION POLICY:

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and the Executive Directors. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the remuneration commission payable to the Managing Director and the Executive Directors with the approval of the members. No other benefit/commission is paid to Managing Director and Executive Director.

The Company pays sitting fees of 1,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. No remuneration/commission is paid to Non-executive and independent Directors.

The Remuneration policy is available on www.bbllinvestor.com.

10. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

During the year the CSR provision does not applied to the company. Mr. Sushil Kuamr Kandoi Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah as its Members. Mr. Manan Kumar Sah, is the Chairman. The main function of the said committee is to formulate and monitor the CSR policy of the company. The CSR report as required under the companies act 2013 for the year ended 31st March, 2021 is attached as Annexure-IV of the board report.

The meeting of the CSR Committee was held on 27.01.2021.

11. **INDEPENDENT DIRECTORS MEETING.**

Mr. Sushil Kumar Kandoi Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah are independent directors.

The meetings of the Independent Directors were held on 24.06.2020 and 28.01.2021 meetings was chaired by Mr. Anil Kumar Gupta.



12. COMMITTEE FOR THE SHAREHOLDERS:

a) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:

Stake Holders Relationship, Grievance And Share Transfer Committee

An Investor Grievance Committee comprising of three Non-executive Independent Directors and executive director viz. Mr. Ashok Kumar Gupta, Mr. Sushil Kumar Kandoi, Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah as its members, Mr. Anil Kumar Gupta is the Chairman. The main function of the said committee specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares, demat, transmission, remat non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 24th June' 2020, 30th July,2020, 29th October ,2020 & 28th January, 2021. The Minutes of the share transfer committee were laid before the Board of Directors of the Company for their ratification and they have ratified from time to time.

| Particulars | | | | |
|--|-------------------|--------------|-------|-------|
| | Physical Transfer | Transmission | Demat | Remat |
| No. of shares received | 0 | 0 | 3180 | 0 |
| No. of shares accepted | 0 | 0 | 590 | 0 |
| No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms | 0 | 0 | 2590 | |

b) COMPLIANCE OFFICER :

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

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

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

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

c) The status of total number of complaint received during the financial year 2020-2021 –

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 1 complaints regarding non-receipt of dividend, demat/ transfer of shares and 12 request to revalidate warrants / issue duplicate demand draft(s). All complaints / request have been resolved timely including issue of duplicate DDs/Warrant/online transfer of unclaimed dividend. 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 31.3.2021.

13. 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 | | | |
| 2017-2018 | -Do- | 16.08.2018 | 3.00PM | Special resolution passed. |
| 2018-2019 | -Do- | 08.08.2019 | 3.00PM | No special resolution passed. |
| 2019-2020 | -Do- | 10.09.2020 | 3.00PM | No special resolution passed |

Postal ballots : For the year ended on 31st March' 2021 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.

14. OTHER DISCLOSURES:

- None of the transactions with related parties falls under the scope of section 188(1) of the Act as all the transaction are done at arm length price during ordinary course of business. Although all the transactions with related parties are done at arm length price, but in compliance of Ind AS 24 the disclosure of transactions with related parties are set out in Note No. 32 of Financial Statements which is forming part of the Annual Report.
- The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year.

15. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include, Business Standard, Financial Express, Aaj and Business Standard Hindi. The results are also displayed on the Company's website www.bblinvestor.com.

The Company also issues press releases from time to time. Financial results, statutory notices, press releases and after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. www.bblinvestor.com A Management Discussion and Analysis report is a part of this Annual Report.



16 (i) **SHAREHOLDERS INFORMATION:**

| | | | |
|-----|---|------------------|---|
| 1. | Annual General Meeting | Date Time | : 27.07.2021, : 3:00 P.M |
| 2. | Meeting mode | | : Through Video Conference or Other Audio-Visual Means (OAVM). |
| 3. | Financial Calendar 2020-2021 | | : (F.Y. 01/04/2020 to 31/03/2021) |
| 4. | Dates of Books Closure | | : From Wednesday, the 21st July, 2021 to Tuesday 27th July, 2021 (both days inclusive). |
| 5. | Dividend | | : No Dividend for F.Y.2020-2021 recommended by board. |
| 6. | Listing on Stock Exchanges | | : Bombay Stock Exchange National Stock Exchange |
| 7. | Listing Fees | | : Fees paid to BSE and NSE. |
| 8. | Stock Code with BSE | | : 526849 |
| 9. | Demat ISIN Number in NSDL | | : INE655B01011 |
| 10. | Registered Office/ address for correspondence | | : A-1, Industrial Estate, Varanasi-221106 U.P. |
| 11. | Location of the Plant | | : A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi |
| 12. | Registrars for share transfer and demat purposes | | : Mas Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com |
| 13. | Shareholders' Correspondence | | : All correspondence / communications regarding shares related i.e. transfer, transmission, demat, Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case of any problem, shareholder(s) may write to the company. |
| 14. | Compliance Officer | | : Sri R.K. Singh, Company Secretary |
| 15. | Designated Exclusive E-mail for investor service and Website | | : investor@bblinvestor.com or www.bblinvestor.com |

16(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. transmission of shares, duplicate issue of certificate, change of address /mandate, update bank detail etc. The Share Transfer Committee is empowered to approve/ ratify the shares related works done by RTA and officer(s) of the company.

Further in terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

16(iii) **DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2021:**

| Particular | No. of Shareholder | % out of total share holders | Number of Share held | % of share holding |
|---------------|--------------------|------------------------------|----------------------|--------------------|
| 001 – 500 | 5297 | 93.306 | 595249 | 8.970 |
| 501 – 1000 | 209 | 3.368 | 161749 | 2.437 |
| 1001 – 2000 | 86 | 1.515 | 129175 | 1.947 |
| 2001 – 3000 | 23 | 0.405 | 58484 | 0.881 |
| 3001 – 4000 | 15 | 0.264 | 52355 | 0.789 |
| 4001 – 5000 | 11 | 0.194 | 50167 | 0.756 |
| 5001 – 10000 | 13 | 0.229 | 90186 | 1.359 |
| 10001 – above | 23 | 0.405 | 5498857 | 82.861 |
| | 5677 | 100.00 | 6636222 | 100.00 |

16(iv) **CATEGORY WISE SHARE HOLDING AS ON 31.03.2021:**

The category wise share holding of Members of the Company as on 31.03.2021 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 | 1050 | 0.016 |
| 2- Other Bodies Corporate | 37251 | 0.561 |
| 3- Financial Institution / Bank | 0 | 0.000 |
| 4- NBFC's registered with RBI | 220 | 0.000 |
| 4- Mutual Fund | 30 | 0.000 |
| 5- Trust | 1072010 | 16.154 |
| 6- Non resident Indian/OCB | 7686 | 0.115 |
| 7- Clearing Member | 17119 | 0.257 |
| 8- Employee | 950 | 0.014 |
| 9- Director's relative | 38160 | 0.575 |
| 10-IEPF | 207896 | 3.132 |
| 11- Indian Public | 1418258 | 21.374 |
| Total - | 6636222 | 100.00 |

16 (v) top ten Shareholders (other than Directors, Promoters) as on 31.03.2021:

| Sl. No. | Name of the Shareholders | Number of equity share held | Percentage of holding |
|---------|---|-----------------------------|-----------------------|
| 1 | RAM GULAM KANHIYA LAL CHARITABLE TRUST | 1072010 | 16.15 |
| 2 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF) | 207896 | 3.13 |
| 3 | MITA DIPAK SHAH | 100000 | 1.51 |
| 4 | HARI PRAKASH GUPTA. | 39750 | 0.56 |
| 5 | H.V. GUPTA | 33850 | 0.51 |
| 6 | UMA JAIN | 32570 | 0.49 |
| 7 | MUNNI LAL DUGAR | 22122 | 0.33 |
| 8 | VIKALP KUMAR | 20000 | 0.30 |
| 9 | SHIV KUMAR AGARWAL | 18456 | 0.28 |
| 10 | GUNTUPALLI HARISH | 17544 | 0.26 |

16(vi) DEMATERIALIZATION OF SHARES:

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26th March, 2001 and as on 31st March, 2021 total number of 6362787 equity shares representing 95.88 % of the Equity Share Capital have been dematerialized. However out of total 5677 shareholders, 3552 shareholders (62.57%) have dematerialized their shares. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE655B01011.

16(vii) EQUITY SHARES IN THE SUSPENSE ACCOUNT:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

| Particulars | Number of shareholders | Number of equity shares |
|--|------------------------|-------------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020 | NIL | NIL |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | - | - |
| Shareholders to whom shares were transferred from the suspense account during the year | - | - |
| Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | - | - |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021 | NIL | NIL |

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

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

During the year the company has transferred unclaimed dividends and its related shares in to IEPF account i.e. Interim unclaimed dividend for F.Y. 2012-13 amounting Rs. 702622/- and corresponding 13080 shares of 120 shareholders on 13.05.2020.

Details of due date of unclaimed dividend to be transferred to Investor Education and Protection Fund :

| Financial Year | Date of declaration | Last date for claiming unpaid dividend | Amount in Rs. |
|----------------|---------------------|--|---------------|
| 2013-14 | 29.05.2014 | 14.08.2021 | 679172.00 |
| 2014-15 | 25.05.2015 | 25.06.2022 | 355610.00 |
| 2015-16 | 26.05.2016 | 26.06.2023 | 893592.50 |
| 2016-17 | 25.05.2017 | 26.06.2024 | 377695.00 |



16 (ix) **STOCK MARKET DATA:**

Period (Apr 2020 to Mar 2021)

| Month | BSE | | | NSE | | |
|---------|------------|-----------|---------------|------------|-----------|---------------|
| | High Price | Low Price | No. of Shares | High Price | Low Price | No. of Shares |
| Apr 20 | 33.50 | 28.50 | 5156 | 33.05 | 27.50 | 25005 |
| May 20 | 36.00 | 30.50 | 4697 | 34.95 | 30.50 | 17924 |
| June 20 | 50.90 | 32.80 | 77322 | 50.60 | 30.30 | 497918 |
| July 20 | 51.00 | 36.80 | 104922 | 50.40 | 37.80 | 377916 |
| Aug 20 | 68.20 | 40.20 | 242543 | 69.90 | 40.00 | 1095684 |
| Sep 20 | 56.90 | 50.05 | 42493 | 55.95 | 50.00 | 147839 |
| Oct 20 | 70.55 | 52.00 | 92692 | 70.85 | 52.00 | 664718 |
| Nov 20 | 63.80 | 52.00 | 89337 | 57.85 | 52.10 | 339364 |
| Dec 20 | 63.90 | 52.15 | 127965 | 62.00 | 52.00 | 734830 |
| Jan 21 | 65.00 | 55.40 | 126442 | 64.50 | 56.15 | 566717 |
| Feb 21 | 60.00 | 53.35 | 50695 | 60.00 | 52.15 | 186279 |
| Mar 21 | 61.90 | 45.15 | 40631 | 59.25 | 43.95 | 239326 |

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

16 (xi) The Shares of the Company are listed with BSE and NSE.

16(xii) **NON-MANDATORY REQUIREMENTS** – Not adopted.

17. PAYMENT MADE TO AUDITORS

Details of payment made to Auditors of the company for audit fee and all other services are as under -

| | Amounts in Rs. | |
|---------------------------------------|----------------|--------------|
| | F.Y. 2020-21 | F.Y. 2019-20 |
| Audit Fee | 75000 | 75000 |
| Tax Audit Fees | 10000 | 10000 |
| Certification / Quarterly Review Fees | 46500 | 30000 |

No fees/remuneration is paid to any entities in the network firm/network entities of which the Statutory Auditor is a part.

18. CEO / CFO CERTIFICATION:

CEO / CFO Certificate in Compliance of Listing Agreement is enclosed in respect of the financial year 2020-21.

For BANARAS BEADS LTD.

Place : Varanasi
Date : 27. 05. 2021

(Ashok Kumar Gupta)
Chairman & Managing Director



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

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

I confirm that the Company has in respect of the year ended March 31, 2021, 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, 2021.

For Banaras Beads Limited

(Siddharth Gupta)
CEO & Managing Director

CEO/CFO CERTIFICATE

To,
The Board of Directors,
Banaras Beads Limited
Varanasi

We, Siddharth Gupta, **CEO & Managing Director** and Vinay Kumar Piyush, CFO of Banaras Beads Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Statement of Profit and loss account and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Director's report.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statement made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind. AS).
 - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - (d) Made 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.

Place: VARANASI
Date: 27.05.2021

(Siddharth Gupta)
CEO & Managing Director

(Vinay Kumar Piyush)
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, 2021, as stipulated in 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 1st April, 2020 to March 31, 2021.
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 carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the “ICAI”), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
4. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

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

Place: Varanasi
Date: 27.05.2021

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



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company : L01131UP1980PLC004984

1. **Name of the Company** : Banaras Beads Limited
2. **Registered address** : A-1, Industrial Estate, Varanasi-221106
3. **Website** : www.banarasbead.com, OR www.bblinvestor.com
4. **E-mail id** : info@banarasbead.com OR rksingh@banarasbead.com
5. **Financial Year reported** : April 1, 2020 to March 31, 2021
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 semiprecious 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: 2

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)** : 661.39 Lacs.
2. **Total Turnover (INR)** : 1942.47 Lacs.
3. **Total profit after taxes (INR)** : 239.29 Lacs.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** :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 - 00342369
- Name - Shri Siddharth Gupta
- Designation – CEO & Managing Director



b) Details of the BR head.

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

6. 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 | Y |
| 3. | Does the policy conform to any national /international standards? If yes, specify? (50 words) | Y | Y | 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 | 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 has been communicated to internal key stake holders 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 | NA | | | | | | | | |
| 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 1 complaints regarding non-receipt of dividend, demat/ transfer of shares and 12 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.(NA)
 - Reduction during usage by consumers (energy, water) has been achieved since the previous year. (NA)
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.

5. 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. 247**
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis. 0**
3. **Please indicate the Number of permanent women employees. 111**
4. **Please indicate the Number of permanent employees with disabilities: 9**
5. **Do you have an employee association that is recognized by management? : NO**
6. **What percentage of your permanent employees is members of this recognized employee association? : NA**
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. NIL**

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

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

- **Permanent Employees : 8%**
- **Permanent Women Employees : 8%**
- **Casual/Temporary/Contractual Employees : NIL**
- **Employees with Disabilities :10%**

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

PRINCIPLE 4

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

PRINCIPLE 5

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

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

PRINCIPLE 6

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



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

PRINCIPLE 7

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

PRINCIPLE 8

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

PRINCIPLE 9

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



REPORT OF THE INDEPENDENT AUDITORS

To the Members of **BANARAS BEADS LIMITED**

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Banaras Beads Ltd (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the standalone Financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|
| Revenue recognition of Duty Credit Scripts | |
| <p>Duty Credit Incentive Script Schemes receivable at the end of accounting year is accounted on estimated realizable value. (refer point D of Note 1 of the Standalone Financial Statement)</p> | <p>Our Audit procedures include the following substantive procedures-</p> <ul style="list-style-type: none"> • Duty Credit Incentive Script under various export incentive schemes received during the year are verified from the Realised Value of Export, prescribed rate of script by the Government related to the product exported and value mentioned on the Script. • The recognition of revenue of Duty Credit Incentive Script on value of Export not realized at year end is verified from the FOB value of export, prescribed rate of script by the Government related to the product and last realizable rate of transferred script during the year. • Reduction in Script value due to actual realization of export is adjusted in revenue when actual script is received. Difference between provision and actual transfer value is adjusted in revenue at the time of transfer. • Value of Scripts consumed in payments of custom duty against imports made are verified from documents of import and scripts. • Entries for scripts transferred during the year are accounted for on actual realised value and verified from invoice and other relevant documents. |

Management’s Responsibility for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the stand alone financial statements, management and board of directors are responsible for assessing the company’s ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the company’s financial reporting process.

Auditor’s Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement of the matters specified in paragraphs 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 Standalone Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and statement of Cash Flow dealt with by the Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With Respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure-B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in note number 48 & 49 in its financial Statement.
 - ii. The Company has made provision as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long terms contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.
3. With respect to the matter to be included in the Auditor's Report under section 197(16), in our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of the section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The ministry of corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

(G.D. Dubey)
Partner
M. No. 076804
Varanasi; 27.05.2021
UDIN-21076804AAAACN5647



ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF BANARAS BEADS LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2021.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and the discrepancy noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, and as explained to us the terms and conditions are not prejudicial to the interest of the company and no schedule of repayment has been stipulated.
4. In our opinion and according to the information and explanation given to us, the company has complied with the provision of Section 185 and 186 of the act, with respect to the investment and loan made.
5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, Provisions of Section 73 to 76 of the Act, any other relevant provision of the Act and the relevant Rules framed there under.
6. Reporting under clause 3(v) of the order is not applicable as the Company's business activities are not covered by the companies (Cost Records and Audit) Rules, 2014.
7. According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable except as reported in note 31 of the Financial Statements. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
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 during the Financial Year 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 point 32 of the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

(G.D. Dubey)
Partner

M. No. 076804

VARANASI;27.05.2021

UDIN-21076804AAAACN5647



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS REPORT

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

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

We have audited the internal financial controls over financial reporting of Banaras Beads Limited (' the Company') as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls.

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

Auditors' Responsibility

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

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

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

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

Meaning of internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting.

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

Opinion.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

(G.D. Dubey)
Partner
M. No. 076804
VARANASI; 27.05.2021
UDIN-21076804AAAAACN5647



Banaras Beads Limited

Balance Sheet as at 31st March, 2021

(Amount in Rs.)

| Particulars | Note No | As at 31st March'2021 | As at 31st March'2020 |
|---------------------------------------|---------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 181593222 | 193484817 |
| (b) Capital work-in-progress | | 0 | 0 |
| (c) Other intangible assets | | 41337 | 41337 |
| (d) Financial assets | | | |
| (i) Investments | 3 | 31210144 | 31398468 |
| (e) Deferred tax assets (net) | 4 | 10318 | 0 |
| (f) Other non-current assets | 5 | 1049767 | 1049767 |
| Current assets | | | |
| (a) Inventories | 6 | 119557075 | 113211950 |
| (b) Financial assets | | | |
| (i) Investments | 7 | 0 | 17525772 |
| (ii) Trade receivables | 8 | 26821828 | 2941395 |
| (iii) Cash and cash equivalents | 9 | 10937019 | 9754707 |
| (iv) Other Bank Balance | 10 | 87498940 | 74285273 |
| (v) Loans | 11 | 78872243 | 34218033 |
| (vi) Other Advances | 12 | 16212940 | 14434406 |
| (c) Current Tax Assets (Net) | 13 | 6364741 | 5016251 |
| (d) Other current assets | 14 | 764469 | 857209 |
| TOTAL - ASSETS | | <u>560934043</u> | <u>498219385</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 15 | 66139220 | 66139220 |
| (b) Other equity | 16 | 434307807 | 410459835 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Deferred tax Liabilities (Net) | 17 | 0 | 188374 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 43277081 | 0 |
| (ii) Trade Payable | 19 | 2713457 | 1335459 |
| (iii) Other financial liabilities | 20 | 5926681 | 7450724 |
| (b) Other current liabilities | 21 | 5569142 | 8640132 |
| (c) Provisions | 22 | 3000655 | 4005641 |
| TOTAL - EQUITY AND LIABILITIES | | <u>560934043</u> | <u>498219385</u> |

In terms of our report of even dated attached

For G D Dubey & Associates
Chartered Accountants
Firm Registration No. 009836C

For and on behalf of the Board of Directors

(Siddharth Gupta)
CEO & Managing Director
DIN No. 00342369

(Sushil Kumar Kandoi)
Independent Director
DIN No. 08664771

(G.D. Dubey)
Membership No. 076804
Partner
Varanasi; 27.05.2021

(Manan Kumar Sah)
Independent Director
DIN No. 00702864

(R.K. Singh)
Company Secretary
FCS 4071

(Vinay Kumar Piyush)
Chief Finance Officer



Banaras Beads Limited

Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in Rs.)

| Particulars | Note No | 2020-21 | 2019-20 |
|---|----------------|-------------------------|-------------------------|
| Revenue from operations | 23 | 204708067 | 257806115 |
| Other Income | 24 | <u>14770240</u> | <u>9061363</u> |
| Total Income | | <u>219478307</u> | <u>266867478</u> |
| Expenses: | | | |
| Cost of materials consumed | 25 | 74369105 | 91064360 |
| Purchases of Stock in Trade | | 0 | 1275000 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 26 | -8153544 | 15714884 |
| Manufacturing Expenses | 27 | 41243516 | 28080574 |
| Employee benefit Expense | 28 | 37245744 | 40348234 |
| Financial Costs | 29 | 2011743 | 1114873 |
| Depreciation and amortization expense | 2 | 14573432 | 13495401 |
| Other Expenses | 30 | <u>26447728</u> | <u>43447870</u> |
| Total Expenses | | <u>187737724</u> | <u>234541196</u> |
| Profit before exceptional items and tax | | 31740583 | 32326282 |
| Exceptional Items | | 0 | 0 |
| Profit before tax | | 31740583 | 32326282 |
| Tax expense: | | | |
| Current tax | | 8010000 | 8900000 |
| Deferred tax | | -198692 | 10565 |
| Profit for the year | | 23929275 | 23415717 |
| Earning per equity share of face value of Rs. 10 each : | | | |
| Basic & Diluted | | 3.61 | 3.53 |

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates
Chartered Accountants
Firm Registration No. 009836C

(Siddharth Gupta)
CEO & Managing Director
DIN No. 00342369

(Sushil Kumar Kandoi)
Independent Director
DIN No. 08664771

(G.D. Dubey)
Membership No. 076804
Partner
Varanasi; 27.05.2021

(Manan Kumar Sah)
Independent Director
DIN No. 00702864

(R.K. Singh)
Company Secretary
FCS 4071

(Vinay Kumar Piyush)
Chief Finance Officer



Statement of Change in Equity for the year ending 31.03.2021

Amount in Rs.

| A. Equity Share Capital | No of Share | Value | | |
|--------------------------------|-------------|-------------------|-------------|----------|
| | | Issued/Subscribed | Unpaid Call | Net |
| As at 01.04.2019 | 6636222 | 66362220 | 223000 | 66139220 |
| Change in Equity Share Capital | 0 | 0 | 0 | 0 |
| As at 31.03.2020 | 6636222 | 66362220 | 223000 | 66139220 |
| Change in Equity Share Capital | 0 | 0 | 0 | 0 |
| As at 31.03.2021 | 6636222 | 66362220 | 223000 | 66139220 |

B. Other EQUITY

| Particulars | Reserves & Surplus | | | Total |
|--|----------------------------|-------------------|-----------------|------------------|
| | Securities premium reserve | Retained earnings | General Reserve | |
| Balance as at 01.04.2019 | 223212300 | 146930309 | 17350000 | 387492609 |
| Profit for the year | 0 | 23415717 | 0 | 23415717 |
| Transactions with owners in their capacity as owners: | | | | |
| Unpaid Call received | 0 | 0 | | 0 |
| Dividends paid | 0 | 0 | | 0 |
| Dividend Distribution Tax | 0 | 0 | | 0 |
| Tax of Earlier Year | | 448491 | | 448491 |
| Balance as at 31.03.2020 | 223212300 | 169897535 | 17350000 | 410459835 |
| Profit for the year | 0 | 23929275 | 0 | 23929275 |
| Transactions with owners in their capacity as owners: | | | | |
| Unpaid Call received | 0 | 0 | | 0 |
| Dividends paid | 0 | 0 | | 0 |
| Dividend Distribution Tax | 0 | 0 | | 0 |
| Tax of Earlier Year | | 81304 | | 81304 |
| Balance as at 31.03.2021 | 223212300 | 193745506 | 17350000 | 434307806 |

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates
Chartered Accountants
Firm Registration No. 009836C

(Siddharth Gupta)
CEO & Managing Director
DIN No. 00342369

(Sushil Kumar Kandoi)
Independent Director
DIN No. 08664771

(G.D. Dubey)
Membership No. 076804
Partner
Varanasi; 27.05.2021

(Manan Kumar Sah)
Independent Director
DIN No. 00702864

(R.K. Singh)
Company Secretary
FCS 4071

(Vinay Kumar Piyush)
Chief Finance Officer



Cash Flow Statement For the Year Ended 31st March, 2021

Amount in Rs.

| Particulars | | For the Year ended 31st March'2021 | For the Year ended 31st March'2020 |
|-------------|---|---------------------------------------|---------------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit / (Loss) before Tax | 31740583 | 32326282 |
| | Adjustment For :- | | |
| | 1 Depreciation | 14573432 | 13495401 |
| | 2 Interest Charged | 589035 | 556521 |
| | 3 Interest Income | (11035921) | (8245232) |
| | 4 Dividend Income | (97664) | (230159) |
| | 5 Rental Income | (803500) | (111887) |
| | 6 Fair Value change of Short Term Investments | 0 | 963825 |
| | 7 Long Term Investment written off | 0 | 63272 |
| | 8 Profit/(Loss) on Sale of Investment | (1915162) | (29085) |
| | Operating Profit before change in working capital | 33050803 | 38788938 |
| | Adjustment for (increase)/Decrease in Operating Assets: | | |
| | 1 Inventories | (6345124) | 24430182 |
| | 2 Trade Receivables | (23880432) | 4107531 |
| | 3 Short Term Loans and Advances | (46432744) | (24344099) |
| | 4 Other Non Current Assets | (1255749) | 307115 |
| | Adjustment for increase/(Decrease) in Operating Liabilities: | | |
| | 1 Trade Payables | 1377998 | (1379716) |
| | 2 Other Current Liabilities | (4595033) | 1299284 |
| | 3 Short Term Provisions | (1004986) | 2577778 |
| | Cash Generated from Operation | (49085267) | 45787013 |
| | Income Tax Paid | (8091304) | (9348491) |
| | NET CASH INFLOW FROM OPERATING ACTIVITIES (A) | (57176571) | 36438522 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | |
| | 1 Purchase of Property, Plant and Equipment / CWIP (Net) | (2681838) | (18670361) |
| | 2 Net Proceeds from Investment | | |
| | From Mutual Funds | 13549402 | (13549402) |
| | From Others | 6079855 | (4911110) |
| | 3 Interest Received | 11035921 | 8245232 |
| | 4 Dividend Received | 97664 | 230159 |
| | 5 Rental Income | 803500 | 111887 |
| | NET CASH UTILISED IN INVESTING ACTIVITIES (B) | 28884504 | (28543595) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES : | | |
| | 1 Amount Received against Calls in Arrears | 0 | 0 |
| | 2 Proceeds / (Repayment) of Short Term Borrowings | 43277081 | (8400000) |
| | 3 Interest Paid | (589035) | (556521) |
| | NET CASH UTILISED IN FINANCING ACTIVITIES (C) | 42688046 | (8956521) |
| I | Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C) | 14395979 | (1061595) |
| II | Cash and Cash Equivalent at the beginning of the year | 84039980 | 85101575 |
| III | Cash and Cash Equivalent at the end of the Reporting Period | 98435959 | 84039980 |
| IV | Cash and Cash Equivalent at the end of the Reporting Period | | |
| | Balance with Bank | 96632959 | 82551428 |
| | Cash in Hand | 1803000 | 1488552 |
| | | 98435959 | 84039980 |

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS-7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting standards) Rules'2015.
- Previous year figures have been regrouped/ reclassified where ever applicable.

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates
Chartered Accountants
Firm Registration No. 009836C

(Siddharth Gupta)
CEO & Managing Director
DIN No. 00342369

(Sushil Kumar Kandoi)
Independent Director
DIN No. 08664771

(G.D. Dubey)
Membership No. 076804
Partner
Varanasi; 27.05.2021

(Manan Kumar Sah)
Independent Director
DIN No. 00702864

(R.K. Singh)
Company Secretary
FCS 4071

(Vinay Kumar Piyush)
Chief Finance Officer



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE-1 : SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE:

The company's financial statement have been prepared in accordance with the provision of the Companies Act., 2013 and the Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015 issued by Ministry of Corporate Affairs in respect of section 133 of the Companies Act,2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. The financials for the previous year ended March 31,2018 of the company were the first financial statement in compliance with Ind AS. The date of transition to Ind AS was April 1, 2016.

B. BASIS OF ACCOUNTING:

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

C. PRESENTATION OF FINANCIAL STATEMENT:

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

Amounts in the financial statements are presented in absolute Indian Rupee as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

D. REVENUE RECOGNITION:

- The company generally follows the mercantile system of accounting recognizing both income and expenditure on accrual basis.
- Sales include export sales whether made directly or through third parties. Sale does not include Goods and Service Tax or any other indirect tax such as Excise Duty, VAT etc. Due to applicability of Goods and Service Tax, Export Sales is recognized when goods are dispatched from factory with export invoice and thus includes Goods under shipment.
- Interest income is accrued on a time basis and the effective interest rate.
- Dividend income is accounted in the period in which the same is received.
- Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.
- All the expenditures are recognized on accrual basis except written else otherwise in any notes. Electricity expenses are recorded on the basis of actual amount payable to Electricity Board net of electricity supplied through generation made by Solar System.
- Duty Credit Script under Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorisation Incentive Script Schemes are normally consumed in payments of custom duty against imports made. Entries for such consumption is made in respective purchase account on the amount of custom duty adjusted. Entries for scripts transferred are accounted for on realised value. Duty Credit Script under Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorization Incentive Script Schemes receivable at the end of accounting year is accounted on estimated realizable value.

E. PROPERTY, PLANT AND EQUIPMENT(PPE):

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

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

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

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on single shift basis. Depreciation on additions to/deductions from, owned asset is calculated on pro rata to the period of the use.

F. INVESTMENT PROPERTY:

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

G. INTANGIBLE ASSET:

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



H. **INVESTMENTS:**

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

I. **EMPLOYEE BENEFIT:**

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

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

Liability for gratuity in respect of employees is covered under the Group Gratuity Policy taken by the company from Life Insurance Corporation of India. The premium payable under the Policy, are charged to Profit & Loss Account. The short fall in the Fund, as indicated by the L.I.C. is provided for by the Company as gratuity liability.

J. **INVENTORIES:**

Inventories are valued on the following basis-

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

K. **FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currency are accounted for in accordance with Ind AS-21. Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of the transactions. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the year end and the difference arising on account of variation in exchange rate is recognized as income or expense in the year in which they arise. Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

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

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

M. **INCOME TAXES:**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with provisions of Section 115BAA of the Income Tax Act'1961.

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

N. **BORROWING COST:**

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

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

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

P. **STATEMENT OF CASH FLOWS:**

Statement of cash Flow is prepared as prescribed in Schedule III of the Companies Act'2013 and Ind AS 7 segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method by adjusting the net profit for prescribed items.

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

The company has already adopted Ind AS w.e.f. financial year 2017-18.

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



2. Property, Plant & Equipment & Capital Work in Progress

| NAME OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------------------------------------|------------------------------------|----------|-----------|-----------|-----------------|--------------------|---------------------------------|-----------|---------------------|---------------------|
| | OP. BALANCE AS ON 01.04.2020 | ADDITION | DEDUCTION | TOTAL | UPTO 31.03.2021 | DURING THE YEAR | DEDUCTION DURING THE YEAR | TOTAL | AS ON 31.03.2021 | AS ON 31.03.2020 |
| TANGIBLE ASSETS | | | | | | | | | | |
| LEASEHOLD LAND | 29843 | | | 29843 | 0 | | | 0 | 29843 | 29843 |
| LAND | 76636519 | 0 | | 76636519 | 0 | | | 0 | 76636519 | 76636519 |
| FACTORY BUILDING | 160963587 | 1580320 | | 162543907 | 75262132 | 8142049 | | 83404181 | 79139726 | 85701455 |
| FURNITURE AND FIXTURES | 12163463 | 37817 | | 12201280 | 11063919 | 202233 | | 11266152 | 935128 | 1099544 |
| PLANT AND MACHINERY | 80123681 | 818701 | | 80942382 | 61059251 | 3508165 | | 64567416 | 16374966 | 19064430 |
| ELECTRICAL EQUIPMENTS | 25600314 | 48645 | | 25648959 | 20982643 | 1129031 | | 22111674 | 3537285 | 4617671 |
| OFFICE EQUIPMENTS | 912240 | 16525 | | 928765 | 861590 | 11429 | | 873019 | 55746 | 50650 |
| VEHICLES | 25874273 | 15180 | 5434399 | 20455054 | 21838626 | 1028198 | 5127646 | 17739178 | 2715876 | 4035647 |
| COMPUTER | 6706513 | 99751 | | 6806264 | 6262221 | 123084 | | 6385305 | 420959 | 444292 |
| FURNACES | 1708349 | | | 1708349 | 1673863 | 0 | | 1673863 | 34486 | 34486 |
| MOBILE PHONE | 798556 | 371650 | | 1170206 | 535268 | 156478 | | 691746 | 478460 | 263288 |
| EFFLEUNT TREATMENT DISPOSAL SYSTEM | 4091728 | | | 4091728 | 2584735 | 272765 | | 2857500 | 1234228 | 1506993 |
| Sub Total | 395609065 | 2988590 | 5434399 | 393163256 | 202124248 | 14573432 | 5127646 | 211570034 | 181593222 | 193484817 |

INTANGIBLE ASSETS

| | | | | | | | | | | |
|-----------|--------|---|---|--------|--------|---|---|--------|-------|-------|
| SOFTWARE | 826747 | | | 826747 | 785410 | 0 | | 785410 | 41337 | 41337 |
| Sub Total | 826747 | 0 | 0 | 826747 | 785410 | 0 | 0 | 785410 | 41337 | 41337 |

TANGIBLE ASSETS HELD AS INVETSM

| | | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|---|---|
| LAND & BUILDING | 0 | | 0 | 0 | | 0 | | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

CAPITAL WORK IN PROGRESS

| | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|
| W-I-P | 0 | | 0 | 0 | | 0 | | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



| | <u>31.03.2021</u> | <u>31.03.2020</u> | | |
|---|------------------------|------------------------|-----------------|------------------|
| <u>INVESTMENTS</u> | 3 | | | |
| Investment in Equity Shares | | | | |
| (a) Quoted Shares | 13000 | 180038 | | |
| (b) Unquoted Shares | 1218430 | 1218430 | | |
| <u>Other Investments</u> | | | | |
| (a) Investment in Limited Liability Partnership | <u>29978714</u> | <u>30000000</u> | | |
| | <u>31210144</u> | <u>31398468</u> | | |
| <u>DETAILS OF NON CURRENT INVESTMENTS (ANNEXURE TO NOTE -3)</u> | | | | |
| <u>NON-CURRENT INVESTMENTS</u> | No. of shares | Face Value | 31.03.2021 | 31.03.2020 |
| <u>In Equity Shares - Un Quoted</u> | | | | |
| BBL Beads Ltd-Share | 87500 | 10 | 1125000 | 1125000 |
| India Exposition Mart Ltd. | 9343 | 10 | 93430 | 93430 |
| <u>In Equity Shares - Quoted</u> | | | | |
| Kabson Industries Ltd. | 1300 | 10 | 13000 | 13000 |
| Rungta Irrigation Ltd. | 600 | 10 | 0* | 36797 |
| Benaras Hotels Ltd | 100 | 100 | 0* | 130241 |
| <u>Other Investment</u> | | | | |
| Banaras Bead Business LLP (Capital Account)** | | | 29978714 | 30000000 |
| Total | | | 31210144 | 31398468 |
| Aggregate Cost of Quoted Investment in Shares- (Rs 13000, Previous Year 180038) (Market value Rs 6916 Previous Year Rs 145573) | | | | |
| Aggregate Cost of Un-Quoted Investment in Shares- (Rs 1218430, Previous Year Rs.1218430) | | | | |
| Aggregate Cost of Other Investments (Rs 30000000, Previous Year Rs.30000000) | | | | |
| *Sold during the year | | | | |
| ** Refer Note 36 | | | | |
| <u>DEFERRED TAX ASSETS</u> | 4 | | | |
| Related to Fixed Assets | | 10318 | | 0 |
| (Due to Difference between book depreciation & tax depreciation) | | | | |
| | | 10318 | | 0 |
| <u>OTHER NON-CURRENT ASSETS</u> | 5 | | | |
| Unsecured Security Deposits, considered good | | 1049767 | | 1049767 |
| | | 1049767 | | 1049767 |
| <u>CURRENT ASSETS</u> | | | | |
| <u>INVENTORIES</u> | 6 | | | |
| (As Taken, Valued as per policy stated in point J of Accounting Policies and Certified by the Management,) | | | | |
| Raw Material | | 26636032 | | 27695880 |
| Finished Goods | | 90301859 | | 82148313 |
| Packing Material | | 1891541 | | 1347226 |
| Stores & Spares | | 727643 | | 2020531 |
| | | 119557075 | | 113211950 |
| <u>INVESTMENTS</u> | 7 | | | |
| a) Investment in Mutual Fund | | 0 | | 13549402 |
| b) Investment in Quoted Equity Shares | | 0 | | 3976370 |
| | | 0 | | 17525772 |

The value of Current Investment is Nil as on 31.03.2021 as all the current investments are sold during the year. In previous financial year, the Current Investments in quoted equity shares are shown at lower of cost or realizable value as quoted in Stock Exchange as on reporting date and reduction in realizable value amounting Rs. 963825/- is debited to the Statement of Profit & Loss under the head other expenses and disclosed in note 30.



| | | | |
|--|-----------|-----------------|-----------------|
| <u>TRADE RECEIVABLES</u> | 8 | | |
| Unsecured, Considered good by the management | | 26821828 | 2941395 |
| | | 26821828 | 2941395 |
| <u>CASH & CASH EQUIVALENTS</u> | 9 | | |
| Balance with Banks | | 9134019 | 8266155 |
| Cash in Hand | | 1803000 | 1488552 |
| | | 10937019 | 9754707 |
| <u>Other Bank Balances</u> | 10 | | |
| Fixed Deposit with Bank | | 85895493 | 71275396 |
| Earmarked Balance With Bank (For Unclaimed Dividend) | | 1603447 | 3009877 |
| | | 87498940 | 74285273 |
| <u>LOANS</u> | 11 | | |
| <u>Unsecured, Considered Good by the Management</u> | | | |
| Loan to Related Parties | | 0 | 0 |
| Loan to Others | | 77675753 | 33021543 |
| <u>Unsecured, Considered Doubtful by the Management</u> | | | |
| Loan to Others | | 1196490 | 1196490 |
| | | 78872243 | 34218033 |
| <u>OTHER ADVANCES</u> | 12 | | |
| Unsecured, Considered Good by the Management (Recoverable in Cash or in Kind or value to be received) | | | |
| Advance to Suppliers & Other | | 7798789 | 6580313 |
| Export Incentive Receivables | | 6379149 | 6259738 |
| <u>Unsecured, Considered Doubtful by the Management</u> | | | |
| Advance to Suppliers & Other (Doubtful) | | 2035002 | 1594355 |
| | | 16212940 | 14434406 |
| <u>CURRENT TAX ASSETS</u> | 13 | | |
| Advance Payment for Taxes (Net) | | 421395 | 0 |
| Claim of GST/VAT | | 5943346 | 5016251 |
| | | 6364741 | 5016251 |
| <u>OTHER CURRENT ASSETS</u> | 14 | | |
| Prepaid Expenses | | 764432 | 857132 |
| Postage Imprest | | 37 | 77 |
| | | 764469 | 857209 |
| <u>SHARE CAPITAL</u> | 15 | | |
| <u>AUTHORISED CAPITAL</u> | | | |
| 1,20,00,000 Equity Share of Rs. 10/- Each | | 12000000 | 12000000 |
| <u>ISSUED SUBSCRIBED & FULLY PAID UP SHARE CAPITAL</u> | | | |
| 6636222 Equity Shares of Rs. 10/- Each Fully paid -up | | 66362220 | 66362220 |
| Less: Unpaid Calls | | 223000 | 223000 |
| | | 66139220 | 66139220 |



| | 31.03.2021 | | 31.03.2020 | |
|--|------------|------------------|------------|------------------|
| | <u>No.</u> | <u>(%)</u> | <u>No.</u> | <u>(%)</u> |
| Shareholders holding more than 5% shares | | | | |
| Ashok Kumar Gupta | 863402 | (13.01) | 863402 | (13.01) |
| Ashok Kumar Gupta (HUF) | 544920 | (8.21) | 544920 | (8.21) |
| Rekha Gupta | 739830 | (11.15) | 739830 | (11.15) |
| Ram Gulam Kanhaiya Lal Charitable Trust | 1072010 | (16.15) | 1072010 | (16.15) |
| Prashant Gupta/Ashok Kumar Gupta(Joint Holders) | 472540 | (7.12) | 472540 | (7.12) |
| Shivani Gupta | 513900 | (7.74) | 350110 | (5.28) |
| Siddharth Gupta | 701000 | (10.56) | 701000 | (10.56) |
| <u>OTHER EQUITY</u> | | | | |
| | | | | 16 |
| <u>A. GENERAL RESERVE</u> | | | | |
| Opening Balance. | | 17350000 | | 17350000 |
| Transferred During the Year | | 0 | | 0 |
| Sub Total (A) | | 17350000 | | 17350000 |
| <u>B. Securities Premium Reserve</u> | | 224765500 | | 224765500 |
| Less : Unpaid Calls | | 1553200 | | 1553200 |
| Sub Total (B) | | 223212300 | | 223212300 |
| <u>C. SURPLUS OF PROFIT & LOSS</u> | | | | |
| Balance as per Last Account | | 169897535 | | 146930309 |
| Net Profit After Tax | | 23929275 | | 23415717 |
| Less: Transferred to General reserve | | 0 | | 0 |
| Dividend Paid | | 0 | | 0 |
| Tax on Dividend Paid | | 0 | | 0 |
| Taxes of Earlier Years | | 81303 | | 448491 |
| Sub Total (C) | | 193745507 | | 169897535 |
| Total (A+B+C) | | 434307807 | | 410459835 |
| <u>DEFERRED TAX LIABILITIES</u> | | | | |
| Related to Property, Plant & Equipment and Intangible Assets | 17 | 0 | | 188374 |
| Related to others | | 0 | | 0 |
| | | 0 | | 188374 |
| <u>Borrowings</u> | 18 | | | |
| Secured Loans from Bank-Repayable on demand | | | | |
| Kotak Mahindra Bank Limited -Packing Credit Indian Currency | | 43277081 | | 0 |
| (Secured against All existing & future Current Assets, Fixed Deposits of the Bank & Building (Plot No A-1) situated at Industrial Estate, Varanasi.) | | | | |
| | | 43277081 | | 0 |
| <u>TRADE PAYABLE</u> | 19 | | | |
| Trade Payable | | 2713457 | | 1335459 |
| | | 2713457 | | 1335459 |
| <u>OTHER FINANCIAL LIABILITIES</u> | 20 | | | |
| Other Liabilities | | 4323234 | | 4440847 |
| Unclaimed Dividend | | 1603447 | | 3009877 |
| | | 5926681 | | 7450724 |



| | | | |
|--|-----------|------------------|------------------|
| <u>OTHER CURRENT LIABILITIES</u> | 21 | | |
| Advance from Customers | | 5569142 | 8640132 |
| | | 5569142 | 8640132 |
| <u>PROVISIONS</u> | 22 | | |
| Provisions for Income Tax (Net) | | 0 | 1081726 |
| Provisions for Gratuity | | 3000655 | 2923915 |
| | | 3000655 | 4005641 |
| <u>REVENUE FROM OPERATIONS</u> | 23 | | |
| <u>SALES OF PRODUCTS</u> | | | |
| Export Sales | | 193251872 | 233924371 |
| Domestic Sales | | 995584 | 1764878 |
| Sub Total | | 194247456 | 235689249 |
| <u>OTHER OPERATING REVENUE</u> | | | |
| Focus /VKUY License Transfer | | 5911638 | 9434165 |
| Export Incentive & Other Benefits | | 2067675 | 5559910 |
| Exchange Rate Difference/Forward Contract Income | | 2481298 | 7122791 |
| Sub Total | | 10460611 | 22116866 |
| Total | | 204708067 | 257806115 |
| <u>OTHER INCOME</u> | 24 | | |
| Interest Income | | 11035921 | 8245232 |
| Dividend | | 97664 | 230159 |
| Net Gain on Sale of Investment/Fixed Assets | | 1915162 | 29085 |
| Rent-Taxable | | 787500 | 83887 |
| Rent-Non Taxable | | 16000 | 28000 |
| Misc.Other Income | | 917993 | 445000 |
| Total | | 14770240 | 9061363 |
| <u>COST OF MATERIAL CONSUMED</u> | 25 | | |
| <u>OPENING STOCK</u> | | | |
| Raw Material | | 27695880 | 31920138 |
| Stores & Consumables | | 2020531 | 1925238 |
| Packing Material | | 1347226 | 5933559 |
| Sub Total | | 31063637 | 39778935 |
| <u>PURCHASES</u> | | | |
| Raw Material | | 2190901 | 3963796 |
| Semi Finished Goods | | 55969175 | 60428853 |
| Packing Material | | 12317646 | 14584750 |
| Stores & Consumables | | 2082962 | 3371663 |
| Sub Total | | 72560684 | 82349062 |
| <u>CLOSING STOCK</u> | | | |
| Raw Material | | 26636032 | 27695880 |
| Stores & Consumables | | 727643 | 2020531 |
| Packing Materials | | 1891541 | 1347226 |
| Sub Total | | 29255216 | 31063637 |
| Cost of Material Consumed | | 74369105 | 91064360 |



| | | | |
|--|-----------|------------------|-----------------|
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | 26 | | |
| <u>OPENING STOCK</u> | | | |
| Finished / Semi Finished Goods | | 82148313 | 97863197 |
| <u>CLOSING STOCK</u> | | | |
| Finished / Semi Finished Goods | | 90301859 | 82148313 |
| (Increase)/Decrease | | (8153544) | 15714884 |
| <u>MANUFACTURING EXPENSES</u> | 27 | | |
| Bead & Handicraft Manufacturing & Finishing Expenses | | 36345164 | 21587679 |
| Power & Fuel | | 2950543 | 4461500 |
| Freight, Custom Duty & Clearing Exp | | 1947809 | 2031395 |
| | | 41243516 | 28080574 |
| <u>EMPLOYEE BENEFIT EXPENSE</u> | 28 | | |
| Salaries & Wages | | 27542350 | 29431407 |
| Bonus/Exgratia to Employees | | 4078694 | 3110362 |
| Providend Fund & ESI | | 3242744 | 3769337 |
| EDLI, Training and Gratuity | | 1939294 | 3581832 |
| Staff Welfare Expenses | | 442662 | 455296 |
| | | 37245744 | 40348234 |
| <u>FINANCIAL COST</u> | 29 | | |
| Interest paid to bank | | 589035 | 556521 |
| Bank Charges | | 810326 | 558352 |
| Exchange Rate Difference & Forward Contract for Bank Loan | | 612382 | 0 |
| | | 2011743 | 1114873 |
| <u>OTHER EXPENSES</u> | 30 | | |
| <u>EXPORT & SELLING EXPENSES</u> | | | |
| Foreign Traveling Expenses | | 75854 | 8231287 |
| Export / Local Freight, Shipping & Selling Expenses | | 10954481 | 13429239 |
| Trade Fair exp | | 0 | 1976316 |
| Local Traveling Expenses | | 804447 | 2080214 |
| Sub Total | | 11834782 | 25717056 |
| <u>REPAIR & MAINTENANCE</u> | | | |
| Building | | 2158096 | 4544153 |
| Machinery | | 1117941 | 1064399 |
| Vehicle & Others | | 1870317 | 2282859 |
| Sub Total | | 5146354 | 7891411 |
| <u>ADMINISTRATIVE EXPENSES</u> | | | |
| Insurance | | 1361096 | 1220947 |
| License & Fees | | 113963 | 520558 |
| Membership & Subscription | | 51875 | 38705 |
| Communication Charges | | 391368 | 343007 |
| Conveyance Charges | | 63145 | 92268 |
| Deepawali and Pooja Expenses | | 162051 | 379417 |
| Printing & Stationery | | 222882 | 349851 |
| Professional & Legal Expenses | | 610622 | 1097795 |
| Share Listing, Depository & Registrar Exp | | 826093 | 713650 |
| Vehicle Running & Maintenance | | 2503794 | 1068488 |
| Director Sitting Fees | | 49000 | 54000 |



| | | |
|---|-----------------|-----------------|
| Postage exp. | 19446 | 66238 |
| Expenses on COVID 19 | 1510459 | 4243 |
| Long Term Investment written off | 0 | 63272 |
| Loss Due To Decline in Market Value of Short Term Investments | 0 | 963825 |
| Donation to political party | 0 | 250000 |
| Other Donations | 802001 | 1838000 |
| Other Expenses | 647297 | 660139 |
| <u>Payment to Auditor</u> | | |
| As Auditor | 75000 | 75000 |
| For Tax/VAT Audit Fees | 10000 | 10000 |
| For Certification / Quarterly Review Fees | 46500 | 30000 |
| Sub Total | 9466592 | 9839403 |
| Total | 26447728 | 43447870 |

31. Disclosure related to Provisions, Contingent Liabilities/Assets pursuant to Ind AS 37:

| | | | |
|-------|---|---|--|
| (i) | Letter of credit opened with Banks | : | Rs. NIL (Previous year: Rs. NIL) |
| (ii) | Bank Guarantees outstanding | : | Rs. NIL (Previous Year-Rs. NIL) |
| (iii) | Contingent Liabilities for Taxes and Duties | : | Rs. NIL (Previous Year-Rs. NIL) |
| (iv) | Other | : | Notice received from BSE and NSE for penalty of Rs. 283200 each stating for disclosure under Regulation 23(9). The reply sent that the relevant disclosure had been already made by company. Thereafter no further information received from BSE and NSE since January'2021. |

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

The Company has identified all related parties and details of transactions are given below. All the transactions have been made at Arm's Length Basis and after having approval from appropriate authorities (where ever applicable).

Details of Transactions:

| Sl. No | Name | Nature of Relation | Nature of Transaction | 31.03.2021 | | 31.03.2020 | |
|--------|--------------------------|-----------------------|-----------------------------|-------------|-------------|-------------|-------------|
| | | | | Transaction | Outstanding | Transaction | Outstanding |
| 1 | Key Managerial Personnel | | | | | | |
| | Ashok Kumar Gupta | Director (Executive) | Remuneration | 2421600 | 0 | 2421600 | 0 |
| | Siddharth Gupta | Director (Executive) | Remuneration including P.F. | 1666560 | 0 | 1666560 | 0 |
| | Shalini Chandra | Director (Executive) | Remuneration including P.F. | 672000 | 0 | 672000 | 0 |
| | Ramesh Kumar Singh | Company Secretary | Remuneration including P.F. | 850944 | 0 | 850944 | 0 |
| | Vinay Kumar Piyush | Chief Finance Officer | Remuneration including P.F. | 389760 | 0 | 389760 | 0 |
| 2 | Independent Directors | | | | | | |
| | Ashok Kumar Kapoor | Independent Director | Sitting Fees | 0 | * | 20000 | 0 |
| | Praveen Singh | Independent Director | Sitting Fees | 0 | * | 16000 | 0 |
| | Tanmay Deva | Independent Director | Sitting Fees | 0 | * | 14000 | 0 |
| | Sushil Kumar Kandoi | Independent Director | Sitting Fees | 16000 | 0 | 1000 | 0 |



| | | | | | | | |
|----|---|------------------------------|--------------------------|--------|----------|-----------|----------|
| | Anil Kumar Gupta | Independent Director | Sitting Fees | 18000 | 0 | 2000 | 0 |
| | Manan Kumar Sah | Independent Director | Sitting Fees | 15000 | 0 | 1000 | 0 |
| 3 | Banaras Beads Exports Ltd | Shareholder | Advance transaction | 0 | 0 | 0 | 0 |
| 4 | Banaras Glass Beads Limited | Director and shareholder | Purchase | 0 | 0 | 0 | 0 |
| 5 | Mathur Vaishya Jan Kalyan trust | Trustee | Expenses | 6818 | 0 | 57608 | 0 |
| | | | Other | 32051 | 0 | 335021 | 0 |
| | | | Advance against expenses | 0 | 0 | 500000 | 0 |
| 6 | BBL Beads Limited | Director and shareholder | Share purchase | 0 | 875000 | 0 | 875000 |
| | | | Rent Security | 0 | 450000 | 0 | 450000 |
| 7 | Mangalam Hospitality India Limited | Director and shareholder | | 0 | 0 | 0 | 0 |
| 8 | R.K. Impex Pvt Limited | Common Director | | 0 | * | 0 | 0 |
| 9 | Nandi Export Pvt. Ltd | Director | | 0 | * | 0 | 0 |
| 10 | Banaras Beads Business P. Ltd | Director and shareholder | Investment in shares | 0 | 0 | -30000000 | 0 |
| 11 | Banaras Beads Business LLP | Partner | Investment in LLP | | 29978714 | 30000000 | 30000000 |
| | | | Loss Accounted for | -21286 | | 0 | |
| 12 | Taurus Construction Pvt. Ltd. | Director | | 0 | * | 0 | 0 |
| 13 | Omini Marketing Pvt. Ltd. | Director and shareholder | | 0 | * | 0 | 0 |
| 14 | Industrial Auto Mobiles & Fuels Ltd. | Director and shareholder | | 0 | * | 0 | 0 |
| 15 | Sanwaria Trade-Link LLP | Partner | | 0 | 0 | 0 | 0 |
| 16 | Sanwaria Trade-Link P. Ltd. | Director | | 0 | 0 | 0 | 0 |
| 17 | Ram Gulam Kanhaiya Lal Charitable trust | Managing Trustee/Trustee | Donation | 700000 | 0 | 1825000 | 0 |
| 18 | Kala Prakash Society | Director is Committee member | Donation | 0 | * | 0 | 0 |
| 19 | Gupta Construction Pvt. Ltd | Director | | 0 | * | | |
| 20 | AB GreenVallyeys LLP | Director is Partner | | 0 | * | | |
| 21 | Tullu Sales Pvt. Ltd. | Director | Purchase/Services | 207792 | 0 | 532036 | 2242 |
| 22 | Surbhi Electrical Products Pvt Ltd | Director | | | | | |
| 23 | Sattve Power Solution LLP | Director is Partner | | | | | |
| 24 | U P National Manufacturs Ltd | Director | | | | | |
| 25 | Sukhen Hospitalities Pvt. Ltd | Director | | | | | |
| 26 | Vatika Investment and Finance Pvt Ltd. | Director | | | | | |
| 27 | Sushil Kumar Kandoi & Co. | Director is Partner | | | | | |

Note – *Not a related party in the year

33. **Expenditure on Corporate Social Responsibility(CSR):**

No amount is expended in CSR during the year (previous year – nil) as the company is not required to expend any amount under section 135 of the Companies Act 2013 read with Rules made there under.



34. **Disclosure related to Lease pursuant to Ind As 116:**

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rule 2019 and Companies (Indian Accounting Standards). Second Amendment Rules, has notified Ind As 116 Leases which replaces the exiting lease standards, Ind As 17 Lease, and other interpretations. Ind As 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

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

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

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

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

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

The company recognized financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liability, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date and valued as on balanced sheet date at its fair market value quoted at stock exchange in case the quoted value is lower than the cost of acquisition.

i) **Foreign exchange rate risk:**

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

ii) **Interest rate risk:**

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. The Company's outstanding debt in local currency is on floating rate.

Since the borrowings are small in comparison to total investments and interest expenditure is very small in comparison to total expenditure, the company does not foresee any material risk due to change in interest rate in future.

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

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------|------------------------------------|------------------------------------|
| Borrowing | 43277081 | 0 |

iii) **Liquidity risk management:**

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

iv) **Credit risk management:**

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

v) No material amount of financial assets or liabilities are written off during the period. In previous year, long term investment in quoted equity shares amounting to Rs. 63272/- was written off which were not being traded in Stock Exchanges and not saleable and charged to profit and loss account.

vi) The contractual maturities of significant financial assets and liabilities outstanding as at 31st March, 2021 is one year.

vii) **Detail of non current investments-**

c. Details related to investment in long terms quoted equity shares are given in Note 3. All the investments are stated in the Financial Statement at cost. Market value of shares are taken at last available rate on Stock Exchange as on reporting date. In respect of stock not traded on Stock Exchanges, the same are written off and disclosed in Note-3 and 30.

d. Rs. 300.00 lacs was invested by the company in the shares of M/s Banaras Bead Business Pvt. Ltd. which was converted to LLP during the previous financial year. Rs. 300.00 lacs was shown as investment in limited liability partnership as on 31.03.2020. The effect of share of profit/loss of F. Y. 2019-20 is made in current financial year as the audited financial statements of LLP are received after the finalisation of financial statements of the company. The effect of the Profit/Loss of the current financial year of LLP is not made in absence of receipt of audited financial statement of LLP till finalization of the accounts of the company.

viii) **Details of current investments:**

a. Investment in mutual fund: No investment in mutual fund as on reporting date of current financial year (Previous year - Rs. 135.49 lacs). Investment in previous year was in Baroda Liquid Fund of Baroda Mutual Fund which is accounted for on cost of purchase plus re invested dividend as per certificate available. Dividend re invested was recognised as income.

b. Investment in quoted equity shares : Quoted equity shares purchased with the object to sale within the operating cycle are classified under this group. The Current Investments in quoted equity shares are shown at lower of cost or realizable value as quoted in Stock Exchange as on reporting date and reduction in realizable value amounting Rs. Nil (Previous Year-Rs. 963825/-) is debited to the Statement of Profit & Loss under the head other expenses and disclosed in note 7 and 30.



37. Disclosure related to Operating Segment pursuant to Ind AS 108:

The company main business is manufacturing and export of Handicrafts items like Glass and other Beads, Necklaces, Imitation Jewelry etc. All those items form just one segment. All other revenues are not significant to be considered as separate segments. As the company has its commercial activity mainly at Varanasi, hence separate geographical segment wise reporting is not done. The company has received more than 10% of its revenue from customers amounting to Rs. 1450.51 lacs (Rs. 515.55 lacs, 448.43 lacs, 235.93 lacs and 250.60 lacs from 4 customers) [previous year 1474.60 lacs from one customer].

38. Disclosure related to Income Tax pursuant to Ind AS 12:

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

a. Income Tax Expenses

| | <u>31.03.2021</u> | <u>31.03.2020</u> |
|---|-------------------|-------------------|
| Current tax on profits for the year | 8010000 | 8900000 |
| Deferred Tax | -198692 | 10565 |
| Income tax expenses recognised in profit & loss statement | <u>7811308</u> | <u>8910565</u> |

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

| | | |
|---|----------------|----------------|
| Profit before tax | 31740583 | 32326282 |
| Corporate tax rate | 25.17% | 25.17% |
| Tax on Accounting profit | 7988470 | 8135879 |
| (i) Tax on income exempt from tax | | |
| (A) Dividend income | 0 | 57926 |
| (B) Capital Gain | 482008 | 7320 |
| (ii) Tax on expenses not tax deductible: | | |
| (A) Donation | 100924 | 232930 |
| (B) Provision of Gratuity | 19314 | 376526 |
| (C) Other Disallowance | 5357 | 242575 |
| (iii) Tax Effect of Depreciation excess claimed in books | 225147 | -25095 |
| (iv) Tax effect of Capital Gain taxable at different rate | 151748 | 6225 |
| Tax Expense (Net) | 8008952 | 8903794 |
| Tax Expense Rounded off & recognised during the year | 8010000 | 8900000 |

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

| | | (Rs.) | |
|---------|--|---------|---------|
| Sl. No. | Particulars | 2020-21 | 2019-20 |
| (a) | Opening balance as at April 1 | 188374 | 177809 |
| (b) | Tax (Income)/expense during the period recognized in: | | |
| | (i) Statement of Profit and Loss in Profit or Loss section | -198692 | 10565 |
| | (ii) Statement of Profit and Loss under OCI section | 0 | 0 |
| | (iii) Retained earning | 0 | 0 |
| | Closing balance as at March 31 | -10318 | 188374 |

Deferred tax is calculated on the difference of WDV of property, plant & equipment and intangible assets arrived after charging the depreciation as per Companies Act, 2013 and allowable under the provisions of Income Tax Act 1961. The expenditure/loss related to provision for gratuity and decline in market value of quoted investment/ written of investment is not considered for calculation of Deferred Tax as the same is disallowed while making the provision for current tax.

39. Disclosure related to Employees Benefit pursuant to Ind As 19:

- (i) Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia scheme, performance-linked reward falling due wholly within twelve month of rendering services are recognized in the period in which the employee renders the related services.01
- (ii) Company's contribution to Provident Fund, Family Pension Fund, ESI etc. are charged to Profit & Loss Account on accrual basis.
- (ii) Liability for gratuity in respect of employees is covered under the Group Gratuity Policy taken by the company from Life Insurance Corporation of India. The premium payable under the Policy, is charged to Profit & Loss Account. The short fall in the Fund amounting to Rs. 30.01 lacs (previous year 29.24 lacs) is provided for by the Company as gratuity liability as on reporting date.

40. Earnings per share:

Basic and diluted earnings per share pursuant to Ind As 33 are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number by equity shares. The Company does not have any outstanding diluted potential equity shares. Consequently the basic and diluted earnings per share remain the same.

| | <u>2020-2021</u> | <u>2019-2020</u> |
|---|------------------|------------------|
| Net Profit attributable to shareholders (Rs.) : | 23929275 | 23415717 |
| Weighted average numbers of equity shares : | 6636222 | 6636222 |
| Basic earnings per share of Rs. 10/- each (Rs.) : | 3.61 | 3.53 |



41. **Separate Financial Statements:**

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

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

The company has already adopted Ind AS w.e.f. financial year 2017-18.

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

| | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| A. Chairman & Managing Director (Ashok Kumar Gupta) | | |
| Salaries | 2400000 | 2400000 |
| Contribution to Provident Fund | 21600 | 21600 |
| B. CEO & Managing Director (Siddharth Gupta) | | |
| Salaries | 1488000 | 1488000 |
| Contribution to Provident Fund | 178560 | 178560 |
| C. Executive Director (Shalini Chandra) | | |
| Salaries | 600000 | 600000 |
| Contribution to Provident Fund | 72000 | 72000 |
| D. Chief Finance Officer (Vinay Ku. Piyush, Previous Year Jai Singh) | | |
| Salaries | 348000 | 348000 |
| Contribution to Provident Fund | 41760 | 41760 |
| E. Company secretary (R.K. Singh) | | |
| Salaries & Allowances | 766200 | 766200 |
| Contribution to Provident Fund | 84744 | 84744 |

44. **Details of Payment made to Auditors**

| | | |
|---|-------|-------|
| As Auditor | 75000 | 75000 |
| For Tax Audit Fees | 10000 | 10000 |
| For Certification / Quarterly Review Fees | 46500 | 30000 |

Goods and Services Tax/Other Taxes as applicable is paid as charged.

No fees/remuneration is paid to any entities in the network firm/network entities of which the Statutory Auditor is a part.

45. The export sales include Goods dispatched but under shipment upto 31.3.2021 amounting to rupees 94.02 lacs (Previous Year Nil). Prior to introduction of Goods & Service Tax Act, Goods under shipment was not treated as Export (Sale), but as per requirement of Goods & Service Tax Act, this change in accounting principle was made since the F.Y. 2017-18.

46. Amount of closing balance as per bank in dedicated dividend payable account has been taken as unclaimed dividend of Rs. 1603447 (previous year Rs. 3009877). The amount does not include amount of demand drafts issued but not en cashed by the shareholders.

47. Rs.2035002 (previous year Rs. 1594355) paid to suppliers as advance has been shown as doubtful assets. No provision against the outstanding is made as in the opinion of the management, amount will be recovered in full.

Rs.1196490 (previous year -1196490) given as Loan has been shown as doubtful assets. No provision against the outstanding is made as in the opinion of the management, amount will be recovered in full. No interest has been charged in the account in current year as the Loan is classified as doubt full.

48. 2.51 Hectare land of the company situated at Village Karna Dandi and Bairion, near Tandia, Varanasi have been acquired by Varanasi Development Authorities in Transport Nagar Scheme and the company has challenged the Acquisition order before Hon'able Allahabad High Court and Status Quo has been ordered by the Hon'able High Court. The company is still in possession of the land.

49. **PENDING PETITION WITH NCLT:**

The Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order dt. 04.07.2007 and 03.08.2007 in the matter of C.P. No. 14/99, CP No. 14/111/1999, 15/111/1999 and 1/111/2001 had been disposed off by Hon'ble Supreme Court on 11.04.2018. The company had already complied and executed above order of Hon'ble CLB by 05.09.2007 and nothing is pending to be complied by the company and accordingly disclosed in Annual Report made thereafter. However Mr. Raj Kumar Gupta, ex-director of the company, who had not challenged CLB orders now filed an Execution Petition No. 424/2018 before Hon'ble NCLT to get property of the company situated at Expo Mart, Greater NOIDA , which was neither part of CLB Petition No. 14/1999 nor mentioned in the list of properties to be transferred to 1st Petitioner (Mr. Raj Kumar Gupta group) in CLB final order dt. 04.07.2007 and modified order dt. 03.08.2007. Mr. Raj Kumar Gupta Ex-director of the company had already made an application to get this property before Hon'ble Supreme Court in SLP No. 935-936/2010 and Hon'ble Supreme Court finally dismissed the SLP with all pending applications. The present Execution Petition 424/2018 filed by Mr. Raj Kumar Gupta before Hon'ble NCLT Allahabad is pending.. The Management does not reasonable expect that the Execution Petition, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.



50. **DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC**

The world has been affected with an unprecedented pandemic COVID-19, which has adversely affected the lives and livelihood of the people of the virtually all countries. In India, the Nation wide lock down have been extended many times during the year. Even lock down has affected the business in the beginning of financial year 2021-22.

The company is manufacturing and leading Exporter of Glass Beads Handicrafts and its related items, mainly to US and other countries. Due to this COVID 19 impact, the Revenue from Operation of the Company has decreased. However, the profit before tax is not much affected.

Keeping in view of continuing effect of Covid-19, it is difficult to ascertain the overall impact of the outbreak. The pandemic may significantly impact business of the Company as under :

- The Foreign Buyers may cancel or deffer in execution of orders.
- Buyers may not give further orders.
- Shipment of goods could not be done during lockdown.

a. Ability to maintain operations including the factories/units/office spaces functioning and closed down;

Ensuring compliances related to Covid-19 guidelines i.e. maintaining social distance, mandatory to wear face mask, proper sanitizations, cleaning hands, thermal scanning etc., the Company is continuing its manufacturing and other business activities.

b. Estimation of the future impact of COVID-19 on its operations.

Covid-19 had certainly negative impact on the export business. Being the Manufacturer and Exporter of fashionable items, its business is affected by the market condition, transportation problems, demand and policy of the various countries. However, the company is not expecting much impact during current year as orders are not being cancelled by the Foreign Buyers/Stores.

c. Details of impact of COVID-19 on capital and financial resources;

- a. **Profitability-** The company's profit is not much affected during the year and expect that its profitability will not be affected in future also keeping in view the continuous support of Foreign Buyers.
- b. **Liquidity position-** The Company is already having good liquidity position in form of bank deposit and other current assets and will be able to face the impact of Covid-19 smoothly.
- c. **Ability to service debt and other financing arrangements-** The Company is not expecting any problem in its ability to service debts and other financial arrangement, keeping in view good liquidity position.
- d. **Assets-** All the property, plant and equipment and other assets are in operation.
- e. **Internal financial reporting and control-** Internal Financial reporting and control are not adversely affected.
- f. **Supply chain-** At present, the Supply chain of the company is not adversely affected.
- g. **Demand for its products/services-** As the Foreign Buyers are giving full support to the company, hence the company do not expect any short fall in demand of its products in future.

d. Existing contracts/agreements where non-fulfillment of the obligations by any party may have significant impact on the business.

The existing contracts/agreements are being honored by the Foreign Buyers, hence the company will not have any significant impact on the business of the company.

Inventory of the company forms significant part of the current assets. The inventories of the company mainly consists handicraft items of glass beads etc.,. The inventories of the company is of such nature which can be sold at any time and thus no adverse effect on the liquidity. The companies trade receivable and loans and advances are being realized in normal course of business and as per the company policy, the portion of future sale on credit will be minimum. Thus there is no potential impact on the liquidity of the company and risk due to COVID-19 Pandemic.

These assessments are not based on any mathematical model but an assessment considering the nature of inventory, receivables and other financial assets.

The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

51. **MISCELLANEOUS NOTES ON ACCOUNTS:**

- i) There are no MSME undertakings (who has informed their MSME status to the company) to whom the Company owes a sum exceeding the prescribed limit which is outstanding for more than the prescribed period during the year.
- ii) The Management has conducted physical verification of stocks and property, plant and equipment at reasonable intervals and discrepancies noticed on such verification have been properly dealt with.



- iii) There is an adequate internal control procedure and internal audit system commensurate with the size of the company and the nature of its business. The Directors have been making consistent efforts to improve such procedures and systems keeping in view the needs of business and experience gained.
- iv) Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
- v) In the opinion of the Directors, Currents Assets, and Loans and Advances are approximately of the value, which, if realised, in the ordinary course of business, will not be less than the figure stated in the books of accounts.
- vi) The Calls in arrears of Share Capital amounting to Rs.223000 and of Share Premium amounting to Rs. 1553200 are outstanding since long. None of these amounts relate to the directors or their relatives. The Management has decided not to forfeit such shares for the time being.
- vii) Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.



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