

# 40th Annual Report 2019-20



**BANARAS BEADS  
LIMITED**

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





**PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION**

**Late Kanhaiya Lal Gupta Ji**  
**(1925-1992)**

From Chairman

Dear Shareholders,

It is my privilege to report the Annual results for the F.Y. 2019-2020.

In this financial year, your company has been able to increase the turn over by around 49% more than previous year, despite the sharp slowdown in Q4 due to COVID-19 pandemic. This is only on account of continuous efforts of Management, support of US based big Customer (Chain Store) and improve in quality and punctuality in execution of orders by the company and team efforts of staff. The profitability of the company also increased by 103%

Your company is leading Exporter of Glass Beads Handicrafts and its related items and having biggest market in US of its products. The China is biggest competitor of the company's products. Dumping of Chines goods in India /USA affected the company for a long time and exports suffered for few years continuously, but during this financial year, your company is able to stop continuous down fall in turn over and profitability.

The ongoing trade war between the USA & China and presently between India and China has given an opportunity to the company to boost its exports. The USA based Retail Chain Stores are offering to the company to supply such products which they were procuring from China. The company is in process to fully utilize this business opportunity and hopes that in incoming periods increasing trend will be continued, if there is no adverse impact of COVID-19 Pandemic and if there is no change in business trend.

You are fully aware that in last month of Financial Year 2020, pandemic COVID -19 has adversely affected the lives and livelihood of the people of the virtually all countries. In India, the Nationwide fully or partly lock down from last week of March is still going on. During complete lock down period operation of the company almost closed and company main focus was to secure employees health first and only some office work was done, after getting necessary permissions from the concerned local authorities and ensuring compliances related to Covid-19 guidelines .

During the year, three Independent Directors namely Shri Ashok Kumar Kapoor, Shri Praveen Anand Singh and Shri Tanmay Deva, ceased from Directorship of the company with effect from January 21, 2020 upon completion of their term.I appreciate their valuable contribution and guidance.

**I also heartily welcome to Mr. Sushil Kumar Kandoi, Mr. Anil Kumar Gupta, and Mr. Manan Kumar Sah were appointed as an additional and independent director w.e.f. 17.01. 2020 for a period of five years.**

During the year the shares of your company were being traded in BSE and NSE between Rs. 25 to Rs. 62 against book value of around Rs. 71.82.

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

With best wishes to all.

**Ashok Kumar Gupta**  
Chairman & 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](mailto:info@banarasbead.com)  
Website: [www.banarasbead.com](http://www.banarasbead.com)

**E-MAIL & WEBSITE FOR INVESTOR**

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

**CORPORATE IDENTITY NUMBER (CIN)**

L01131UP1980PLC004984

**GST NUMBER**

09AAACB2252L1ZQ

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

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**NOTICE**

**NOTICE** is hereby given that 40<sup>th</sup> Annual General Meeting of the Members of Banaras Beads Limited will be held at Registered Office of the Company at A-1, Industrial Estate, Varanasi - 221106 on Thursday the 10<sup>th</sup> September, 2020 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, 2020 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 Smt. Shalini Chandra (DIN: 01036394), who retires by rotation and being eligible, offers himself for re-appointment as director.

**SPECIAL BUSINESS:**

**Special Business:**

**Item No. 3- RE- APPOINTMENT OF EXECUTIVE DIRECTOR**

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, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule V to the Act, as amended from time to time and Regulation of SEBI/ LODR regulations, 2105, as recommended by Remuneration Committee and by board of the company, Mrs. Shalini Chandra (DIN No. 01036394) be and is hereby re-appointed as Executive Director of the Company for a further period of five years, w.e.f. 29<sup>th</sup> February' 2020 on the terms and conditions:

**i) SALARY:**

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

**ii) PERQUISITES:**

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

**a. REIMBURSEMENT OF MEDICAL EXPENSES:**

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

**b. PERSONAL ACCIDENT INSURANCE:**

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

**c. CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:**

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

**d. GRATUITY / CONTRIBUTION TO GRATUITY FUND**

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

**e. ENCASHMENT OF LEAVE :**

Encashment of leave at the end of the tenure.

**f. LEAVE TRAVEL CONCESSION :**

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

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

**g. REIMBURSEMENT OF EXPENSES:**

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

**iii) ROLE / RESPONSIBILITY :**

To conduct, manage business and others works of the Company and she shall perform such other duties as shall from time to time be entrusted to her, subject to the superintendence, guidance and control of the Board of Directors of the Company.

**Item No. 4- APPOINTMENT OF CA SUSHIL KUMAR KANDOI AS INDEPENDENT DIRECTOR OF THE COMPANY**



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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), CA Sushil Kumar Kandoi (DIN No. 08664771) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors w.e.f. January 17, 2020 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Board, Nomination and Remuneration Committee of the Board of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from January 17, 2020 to January 16, 2025 and the term shall not be subject to retirement by rotation.

**Item No. 5- APPOINTMENT OF MR. ANIL KUMAR GUPTA AS INDEPENDENT DIRECTOR OF THE COMPANY**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Anil Kumar Gupta (DIN No. 00895938) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective January 17, 2020 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Board, Nomination and Remuneration Committee of the Board of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from January 17, 2020 to January 16, 2025 and the term shall not be subject to retirement by rotation.

**Item No. 6- APPOINTMENT OF MR. MANAN KUMAR SAH AS INDEPENDENT DIRECTOR OF THE COMPANY.**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Manan Kumar Sah (DIN No. 00702864) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective January 17, 2020 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Board, Nomination and Remuneration Committee of the Board of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from January 17, 2020 to January 16, 2025 and the term shall not be subject to retirement by rotation.

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

Place : VARANASI  
Date : 25.06.2020

(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 (collectively "MCA Circulars") and SEBI circular dated May 12, 2020 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 40th AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the 40th 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](mailto: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 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 Monday, September 7, 2020 (9:00 a.m. IST) and ends on Wednesday, September 9, 2020 (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 September 3, 2020 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 September 3, 2020.
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](mailto: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 40th AGM and the Annual Report 2019-20 will also be available on the Company's website, [www.bblinvestor.com](http://www.bblinvestor.com) websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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](mailto: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](mailto:info@maserv.com) to receive copies of the Annual Report 2019-20 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 <a href="mailto:info@maserv.com">info@maserv.com</a> 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 <sup>nd</sup> 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 the directors seeking appointment / reappointment at the AGM, forms 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](http://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 Friday, September 4, 2020 to Thursday, September 10, 2020 (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 August 8, 2019 (date of last Annual General Meeting) on its website at [www.bblinvestor.com](http://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](http://www.bblinvestor.com) & [evoting.nsdl.com](http://evoting.nsdl.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. 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 40<sup>th</sup> AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [investor@bblinvestor.com](mailto:investor@bblinvestor.com).

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

Place : VARANASI  
Date : 25. 06. 2020

(R.K.SINGH)  
Company Secretary



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

**ITEM NO. 3 RE- APPOINTMENT OF DIRECTOR AS EXECUTIVE DIRECTOR**

The tenure of Mrs. Shalini Chandra (DIN 01036394) as Executive Director has been expired on 28.02.2020. As per provision of 196 of Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee, the board in its meeting held on 28.02.2020 has re-appointed Mrs. Shalini Chandra, as Executive Director for further five years w.e.f. 29.02.2020 subject to approval of Members as **Ordinary Resolution**. The remuneration and other terms condition of Mrs. Shalini Chandra as Executive Director is as under-

**i) SALARY:**

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

**ii) PERQUISITES:**

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

**a. REIMBURSEMENT OF MEDICAL EXPENSES:**

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

**b. PERSONAL ACCIDENT INSURANCE:**

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

**c. CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:**

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

**d. GRATUITY / CONTRIBUTION TO GRATUITY FUND**

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

**e. ENCASHMENT OF LEAVE :**

Encashment of leave at the end of the tenure.

**f. LEAVE TRAVEL CONCESSION :**

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

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

**g. REIMBURSEMENT OF EXPENSES:**

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

**iv) ROLE / RESPONSIBILITY :**

To conduct, manage business and others works of the Company and she shall perform such other duties as shall from time to time be entrusted to her, subject to the superintendence, guidance and control of the Board of Directors of the Company.

Additional information in respect of Mrs. Shalini Chandra pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) alongwith brief profile , is given at Annexure A to this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution in relation to the re-appointment of Mrs. Shalini Chandra as set out in Item No. 3 for approval of the Members by way of an Ordinary Resolution.

**Item No. 4 to 6 :**

Pursuant to the provisions of Section 149 of the Act and SEBI Regulation of LODR , every listed public company is required to have at least one-third of the total number of directors as Independent Directors. The Independent Director shall hold office for a term upto five consecutive years on the Board of a company. The matter regarding appointment of the giving below Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the committee has recommended their appointment as Independent Director to the Board. The Board has appointed/fixd their tenure in its meeting held on 17.01.2020, as Independent Director to be ratified/approved by Members in ensuing AGM. The other details in this regard is as under :-

Name of Independent Director	Appointed period/ID Tenure
CA Sushil Kumar Kandoi	From 17.01.2020 to 16.01.2025
Mr. Anil Kumar Gupta	From 17.01.2020 to 16.01.2025
Mr. Manan Kumar Sah	From 17.01.2020 to 16.01.2025





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

The Company has also received a notice in writing from three members proposing the candidature of CA Sushil Kumar Kandoi, Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah to be appointed as Director of the Company.

Additional information in respect of above directors pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) alongwith brief profile of each directors are given at Annexure A.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.4 to 6.

The Board of Directors recommends the resolution in relation to the appointment of above directors as set out in Item No. 4 to 6 for approval of the Members by way of an Ordinary Resolution.

**Annexure-A**

Details/brief profile of Directors seeking appointment/re-appointment at the 40<sup>th</sup> Annual General Meeting to be held on Thursday September 10, 2020 [Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Shalini Chandra	Sushil Kumar Kandoi	Anil Kumar Gupta	Manan Kumar Sah
Date of Birth	November 13, 1975	July 14, 1963	January 1, 1952	January 25, 1983
Age	45	57	68	37
Date of Appointment	March 1, 2015 and re-appointment February 29, 2020	January 17, 2020	January 17, 2020	January 17, 2020
Relationship with Directors and Key Managerial Personnel	None	None	None	None
Expertise in specific functional area	Marketing, Finance and Management	Finance, accounts, Management and legal areas.	Marketing, Management, real estate	Marketing, Management, IT & Designs
Qualification(s)	Post Graduate (P.G.D.B.A) from MIT School of Management of Pune	B.Com. F.C.A. F.C.S.	BACHELOR OF ENGINEERING	BACHELOR OF ENGINEERING (COMP)
Board Membership of other listed Companies as on March 31, 2020	NIL	NIL	NIL	NIL
Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2020				
a. Audit Committee	NIL	NIL	NIL	NIL
b. Stakeholders' & Grievance Committee	Nil	Nil	NIL	NIL
c. Nomination and Remuneration Committee	NIL	NIL	NIL	NIL
d. CSR Committee	NIL	NIL	NIL	NIL
e. Other Committee(s)	NIL	NIL	NIL	NIL
Number of equity shares held in the Company as at March 31, 2020	NIL	50	1000	NIL
Permanent Account No.	ADQPC6317F	ADUPK1937H	AANPG1968N	APRPS1395A
Director Identification No.	01036394	08664771	00895938	00702864
Experience	Smt. Shalini Chandra is Post Graduate (P.G.D.B.A) from MIT School of Management of Pune and having more than ten years experience of Marketing, Finance and Management.	CA Sushil Kumar Kandoi is a Chartered Accountant and Company Secretary, having vast experience in finance, accounts, Management and legal areas. He was Chairman of ICSI of Varanasi Chapter	Mr. Anil Kumar Gupta is having experience in construction, contract, real estate and other related business, more than three decades	Founder of successful Integration firm among the largest and most reputed in the region for CCTV, IT & Audio Video integration. 2. Extensive Government work



				experience with State & Central bodies . 3. 14 Years' Experience of Managing corporate affairs for multiple enterprises. 4. Experience with Solar Energy , IT & Engineering Designis having experience in Carpet, Handicrafts and other related items business, more than three decades
Independent Director data bank member	NA	Passed on 05.03.2020 and become member ID data bank vide registration no. IDDB-NR-202001-005810	First test held on 06.03.2020 but not cleared. His registration no. IDDB-DI-202001-005858 for second test under process	Passed on 16.03.2020 and become member of ID data bank vide registration no. IDDB-NR- 202001-005771

**Instructions for participation through VC**

Please follow the below steps for registration and participation

Step 1 :	Access the VC portal by clicking this link <a href="https://epoch.onwingspan.com/BBLAGM">https://epoch.onwingspan.com/BBLAGM</a>  Or You could also join the AGM by visiting the investor page on our Company's website, <a href="http://www.bblinvestor.com">www.bblinvestor.com</a>	System requirements for best VC experience : Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more
Step 2 :	Log in to join the VC session by using your DP ID and Client ID / Folio Number together with your PAN  a) Members with NSDL account : 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) Members with CDSL account : 16-digit Beneficiary ID (For example, if your Beneficiary ID is 12***** , then your user ID is 12*****).  c) Members with physical folio : ITL + Folio Number registered with the Company (For example, if your folio number is 0*****, then your user ID is ITL0*****)	Microphone and speakers – built-in or USB plug-in or wireless Bluetooth  Browser : Google Chrome : Version 72 or latest Mozilla Firefox : Version 72 or latest Microsoft Edge Chromium : Version 72 or latest Safari : Version 11 or latest Internet Explorer : Not Supported  Helpline numbers +91-80- 4156 5555 +91-80- 4156 5777
	Note : Institutional / corporate shareholders are required to upload the Board Resolution/ Authorization Letter authorizing its representatives to attend the AGM through VC.	
Step 3 :	Click 'Join Now!' link to join the virtual AGM	
Step 4 :	Members can post questions either through chat or video feature available in the VC. Members can exercise these options once the floor is open for shareholder queries.	
Step 5 :	Members 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 by clicking the link, <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>	

**General guidelines for VC participation**

- i. Members may note that the 40th AGM of the Company will be convened through VC in compliance with the applicable provisions of the Companies Act, 2013, read with the Circulars. The facility to attend the meeting through VC will be provided by the Company. Members may access the same at <https://epoch.onwingspan.com/BBLAGM>.
- ii. The facility of joining the AGM through VC / OAVM will be opened 60 minutes before the scheduled start-time of the AGM and will be available for Members on a first-come-first-served-basis.
- iii. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.



- iv. Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.
- v. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any of the aforementioned glitches.

**Instructions for e-voting**

The details of the process and manner for remote e-voting are explained below :

Step 1 : Log-in to the NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-voting system.

**Step 1 : Log-in to the NSDL e-voting system**

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 homepage of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password 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 Folio Number registered with the Company For example, if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***.

5. If your email ID is not registered, please follow steps mentioned under point no. 16 for registration of email ID and obtaining User ID / Password for e-voting.
6. Your password details are given below :
  - a) If you are already registered for e-voting, then you can use your existing password to log in 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 prompt 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, the last 8 digits of your client ID for your 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 the steps mentioned under point no. 16 for registration of email ID and obtaining user ID / password for e-voting.
7. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password :
  - a) Click on the “Forgot User Details / Password?”(If you hold shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) A “Physical User Reset Password?”(If you hold shares in physical mode) option is available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by the above two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / Folio Number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
9. Now, you will have to click on the “Login” button.
10. After you click on the “Login” button, homepage of e-voting will open.





## Step 2 : Cast your vote electronically

How to cast your vote electronically on NSDL e-voting system?

1. After successful login following Step 1, you will be able to see the homepage of e-voting. Click on e-voting. Then, click on "Active Voting Cycles".
2. After click on "Active Voting Cycles", you will be able to see the EVEN of all the companies in which you hold shares and whose voting cycle is in active status.
3. Select the EVEN of Banaras Beads Limited, which is 113273.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting the appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on the "Submit" and "Confirm button" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take a printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for e-voting

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board resolution / authorization letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [investor@bblinvestor.com](mailto:investor@bblinvestor.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended that you do not 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](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number : 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., at the designated email IDs : [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-24994360 or +91-22-24994545 who will address the grievances on e-voting.

## Information at a glance

Particular	Details
Time and date of AGM	3:00 p.m. IST, Thursday, September 10, 2020
Mode	Video conference and other audio-visual means
Participation through video-conferencing	<a href="https://epoch.onwingspan.com/BBLAGM">https://epoch.onwingspan.com/BBLAGM</a>
Helpline number for VC participation	+91-0542 2370161/ +91-0542-2370163
Webcast and transcripts	<a href="http://www.bblinvestor.com">www.bblinvestor.com</a>
Cut-off date for AGM	Thursday, September 3, 2020
E-voting start time and date	9:00 a.m. IST, Monday , September 7, 2020
E-voting end time and date	5:00 p.m. IST, Wednesday, September 9, 2020
E-voting website of NSDL	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Name, address and contact details of e-voting service provider	<p>Contact name :</p> <p>Amit Vishal Senior Manager Pallavi Mhatre Manager National Securities Depository Limited,</p> <p>4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India</p> <p>Contact details :</p> <p>Email id :</p> <p><a href="mailto:AmitV@nsdl.co.in">AmitV@nsdl.co.in</a>; <a href="mailto:pallavid@nsdl.co.in">pallavid@nsdl.co.in</a>; <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>;</p>



	Contact number : +91-22-24994360 or +91-22- 24994545
Name, address and contact details of Registrar and Transfer Agent	Contact name : Sarwan Mangala General Manager Mas Services Limited, T-34, Okhla Industrial Area, Phase – II, New Delhi Contact details: e-mail:- info@masserv Contact number : + 91 110 26387281 / 82/83

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

Place : VARANASI  
Date : 25.06.2020

(R.K.SINGH)  
Company Secretary



**DIRECTORS REPORT**

Dear Shareholders,

Your Directors are pleased to present the 40<sup>th</sup> Annual Reports together with the Audited Financial Statements of the Company for the year ended on 31<sup>st</sup> March' 2020.

**FINANCIAL RESULTS:**

	2019-2020	2018-2019
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	2578.06	1731.17
Net Profit Before Taxation	323.26	158.97
Net Profit after taxation	234.16	115.51
Balance of Profit & Loss Account B/F	1469.30	1354.28
<b><u>APPROPRIATIONS:</u></b>		
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	4.49	0.49
Balance of Profit & Loss Account C/F	1698.97	1469.30

**OPERATION / PERFORMANCE:**

During the year revenue from operations of your Company increased by 49% at Rs. 2578 lacs as compared to Rs. 1731 lacs in the corresponding period of the previous year and Profit after Tax up by 103% at Rs. 234 lacs as compared to Rs. 115 lacs in the corresponding period of the previous year.

**EFFECT OF COVID-19 PANDEMIC**

In last month of Financial Year 2020, 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 Nationwide lock down started in the last week of the March, 2020 and fourth phase completed on 31<sup>st</sup> May, 2020. During lock down period operation of the company almost closed and company main focus was to secure employees health first. Some office work was done, after getting necessary permissions from the concerned local authorities and ensuring compliances related to Covid-19 guidelines i.e. maintaining social distance, mandatory to wear face mask, proper sanitizations, cleaning hands, thermal scanning.

The operation of the company had already been resumed with all security measures as directed by government. The Company is following all relevant Government directives and guidelines regarding health and safety of the workers during work.

The Covid-19 certainly would have major negative impact on the export business as per the market condition, transportation, demand and policy of the various countries. However, the company is not expecting much future impact as major orders are not being cancelled by the Foreign Buyers/Stores, and once the situation become normal in US and other countries, the company hope to give good results.

**DIVIDENDS:**

Based on the Company's performance during the year 2019-20, 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. 2019 - 2020, after all appropriation and adjustments was 1698.97 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 2019-20.





**ADOPTION OF IND AS:**

The company has adopted Ind AS since 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 1<sup>st</sup> 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.

**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 UPON COMPLETION OF TERM AS INDEPENDENT DIRECTORS-**

During the year, Shri Ashok Kumar Kapoor, Shri Praveen Anand Singh and Shri Tanmay Deva, ceased from Directorship of the company with effect from January 21, 2020 upon completion of their term as Independent Director. The Board places on record its appreciation for their invaluable contribution and guidance.

**APPOINTMENT OF ADDITIONAL AND INDEPENDENT DIRECTORS -**

Pursuant to the provisions of Section 149 of the Act, Mr. Sushil Kumar Kandoi, Mr. Anil Kumar Gupta, and Mr. Manan Kumar Sah were appointed to the Board as an additional and independent director considering their integrity, expertise and experience on January 17, 2020 for a period of five years subject to the approval of shareholders at the 40th AGM. The notice convening the meeting sets out the details of each directors appointment. As independent directors they have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

**REAPPOINTMENT-**

Mrs. Shalini Chandra retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends her reappointment.

Further the tenure of Mrs. Shalini Chandra as Executive Director has expired on 28.02.2020. Keeping her association and benefit to the company the Nomination and Remuneration Committee and the Board of Directors have recommended to re-appoint Mrs. Shalini Chandra (DIN 01036394) as Executive Director for further five years with effect from 28<sup>th</sup> February 2020.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees to attend the meetings of the Company except few small transactions on arm's length basis with the company of Sri Manan Kumar Sah .

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Ashok Kumar Gupta, Chairman & Managing Director, Mr. Siddharth Gupta, Chief Executive Officer and Managing Director, Smt. Shalini Chandra, Executive Director, Mr. R.K. Singh, Company Secretary and Mr Vinay Kumar Piyush, CFO (who has been appointed w.e.f. 01.04.2019.) There is no other changes in the key managerial personnel during the year.

The detail of cessation, appointment and reappointment are also available on [www.bbllinvestor.com](http://www.bbllinvestor.com).

**BOARD EVALUATION:**

The Board of Directors has carried out on 29.05.2019 and on 16.01.2020 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 on January 5, 2017.

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

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

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



In 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](http://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 28<sup>th</sup> 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 42<sup>nd</sup> 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 2019-20. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2020 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](http://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 31.03.2020 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 138476.48 KWH power generated and approx. 42600 KWH transferred to UP electricity board by this way approximately saving of around Rs. 11.52 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 2416.04 lakhs from Exports of Glass Beads, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 209.12 lakhs for the import of materials, foreign traveling expenses and other sales promotional activities.



### **CORPORATE GOVERNANCE:**

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

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

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

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

### **NUMBER OF MEETING OF BOARD**

Five Board Meetings were held during the F.Y. on 30<sup>th</sup> May 2019, 25<sup>th</sup> July 2019, 24<sup>th</sup> October, 2019, 17<sup>th</sup> January 2020 and 28<sup>th</sup> February, 2020.

### **STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS U/S 149 (6).**

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

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION-**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31.03.2020, 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 31.3.2020 was Rs. NIL.

### **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, 2020.

### **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**

**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.





**CORPORATE SOCIAL RESPONSIBILITY.**

The Provision of Section 135 of Companies Act 2013 concerning with Corporate Social Responsibility is not applicable during the F.Y. 2019-20.

**TRANSFER TO IEPF ACCOUNT**

During the year the company has transferred given below unclaimed dividends alongwith its related shares to IEPF account-

- Interim unclaimed dividend for F.Y. 2011-12 amounting Rs. 221725/- and final dividend Rs. 426138/- and its related 115196 shares of 451 shareholders were transferred into IEPF account on 13.11.2019. In said transfer Rs. 219250 of dividend and corresponding 87700 shares related with Petitioners on account of continuous noncompliance of CLB orders dt. 04.07.2007 and 03.08.2007 by him/them.
- Interim unclaimed dividend for F.Y. 2012-13 amounting Rs. 702622/- and thereon 13080 shares of 120 shareholders were transferred into IEPF account 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 December, 2019 and they have accorded GREEN status/rating till December, 2020.

**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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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 2019-20 in Rs	% increase in Remuneration in the Financial Year 2019-20	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	Both, Profit before Tax and after tax increase by 103% in Financial year 2019-20 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	7.05	9.29	
5	Vinay Kumar Piyush Chief Finance Officer	389760	Not Applicable as appointed CFO w.e.f. 01.04.2019.	4.26	



- ii) The median remuneration of employees of the Company during the financial year 2019-20 is Rs.91579 and in Financial Year 2018-19 was Rs. 77276.
- iii) In the financial year, there was increase of 18.51 % (previous year decrease of 1.42%) in the median remuneration of employees;
- iv) There were 258 permanent employees on the rolls of Company as on March 31, 2020;
- v) Relationship between average increase in remuneration and company performance:-  
The Profit before Tax for the financial year ended March 31, 2020 increase by 103 % and increase in median remuneration was 18.51%.
- 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 4.29 % from 57.53 lacs (annualised) in 2018-19 to 60.00 lacs in 2019-20 whereas the Profit before Tax increased by 103% to 323.26 lacs in 2019-20 (159.53 lacs in 2018-19) .
- vii) a) Variations in the market capitalisation of the Company :  
The market capitalisation as on March 31, 2020 was Rs.1981.32 lacs (Rs. 3201.98 lacs as on March 31, 2019).
- b) Price Earnings ratio of the Company was 8.07 as at March 31, 2020 and was 27.57 as at March 31, 2019.
- vii) Average percentage increase was made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 is 8.59 % and in the managerial remuneration increase for the last financial year was 1.69 %.
- viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- ix) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**TRADING OF SHARES UNDER “B” GROUP:**

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

**ACKNOWLEDGMENT:**

The Directors wish to place on record their sincere appreciation of the devoted and efficient services rendered by all officers, employees and others associated with the Company. The Board place on record a deep appreciation for the valuable contribution and guidance rendered by Independent Directors who completed their tenure during the year.

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

Place : VARANASI  
Date : 25.06.2020

(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 2020.**

[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 31.03.2020 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, 2020 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: 20.06.2020

Ajay Jaiswal & Co.  
Company Secretaries  
Sd/-

(Ajay Jaiswal)  
C P No.: 3684  
**UDIN:F5005112B000360995**





(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: 20.06.2020*

Sd/-  
Ajay Jaiswal & Co.  
Company Secretaries  
(Ajay Jaiswal)  
C P No.: 3684  
**UDIN:F5005112B000360995**



**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, 2020 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: 20.06.2020

Sd/-  
Ajay Jaiswal & Co.  
Company Secretaries  
(Ajay Jaiswal)  
C P No.: 3684  
**UDIN:F5005112B000360962**



**ANNEXURE-II TO DIRECTOR REPORT**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2020**

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

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

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

All the business activities contributing 10 % or more of the total turnover of the company 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	<b>Handicraft items like Glass Beads Necklaces, Imitation Jewellery</b>	<b>231 and 321</b>	<b>100%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

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

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

*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Indiv/HUF	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
h) Central Govt	0	0	0	0	0	0	0	0	0
i) State Govt (s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	0	0	0	0	0	0	0	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>0</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0



c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>3835592</b>	<b>0</b>	<b>3835592</b>	<b>57.80</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	20	0	20	0.00	20	0	20	0.00	0
b) Banks / FI	00	0	00	0.00	0	0	0	0.00	0
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) 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
<b>Sub-total (B)(1):-</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0.00</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0.00</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	224224	15510	239734	3.61	175468	5840	181308	2.73	-0.88
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	811158	376519	1187677	17.90	764077	273545	1037622	15.64	-2.26
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	192320	8550	200870	3.03	266239	1650	267889	4.04	1.01
c) Others (specify) non-Indian./OCB									
d) Any other (specify) clearing member	84812	0	84812	1.28	2727	0	2727	0.04	-1.24
e) Any other (specify) Employee	210	810	1020	0.01	280	810	1090	0.02	0.01
f) Any other (specify) Directors and relative	2179	4530	6709	0.10	33580	4580	38160	0.58	0.48
g) NBFCs regt.with RBI	225	0	225	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	3380	0	3380	0	194816	0	194816	2.93	2.94
<b>Sub-total (B)(2):-</b>	<b>2394691</b>	<b>405919</b>	<b>2800610</b>	<b>42.20</b>	<b>2514185</b>	<b>286425</b>	<b>2800610</b>	<b>42.20</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2394711</b>	<b>405919</b>	<b>2800630</b>	<b>42.20</b>	<b>2514205</b>	<b>286425</b>	<b>2800630</b>	<b>42.20</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>6230303</b>	<b>405919</b>	<b>6636222</b>	<b>100.00</b>	<b>6349797</b>	<b>286425</b>	<b>6636222</b>	<b>100.00</b>	<b>0</b>

(ii) **Shareholding of Promoters**

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





1	ASHOK KUMAR GUPTA	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	350110	5.28	NIL	NIL
6	SIDDHARTH GUPTA	701000	10.56	NIL	701000	10.56	NIL	NIL
7	DEEPALI GUPTA	163790	2.47	NIL	163790	2.47	NIL	NIL

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3835592	57.80	3835592	57.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in overall shareholding of the promoters			
	At the End of the year	3835592	57.80	3835592	57.80

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	RAM GULAM KANHIYA LAL CHARITABLE TRUST	1072010	16.15	1072010	16.15
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF)	79640	1.20	194816	2.94
3	MITA DIPAK SHAH	75000	1.13	100000	1.51
4	PRASHANT GLASS WORKS PVT. LTD.	86399	1.30	92795	1.40
5	BANARAS BEAD BUSINESS PVT. LTD.	9124	0.14	60269	0.91
6	HARI PRAKASH GUPTA	44750	0.67	44750	0.67
7	H.V. GUPTA	20950	0.32	36945	0.56
8	KRISHNA JHANWAR	NIL	NIL	32880	0.50
9	UMA JAIN	NIL	NIL	32570	0.50
10	RAMIT RAJENDER BHARDWAJ	NIL	NIL	20744	0.31
	SURESH RATHI SECURITY PVT. LTD.	49889	0.75	NIL	NIL
	ANIL KUMAR GUPTA	30750	0.46	1000	0.02
	NILAM SINGLA	26600	0.40	NIL	NIL
	GUNTUPALLI HARISH	17844	0.27	17544	0.26

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				



Shri Ashok Kumar Gupta	862402	13.01	862402	13.01
Shri Siddharth Gupta	701000	10.56	701000	10.56
*Shri Ashok Kumar Kapoor	NIL	NIL	-	NIL
*Shri Praveen Singh	550	0.01	-	-
*Shri Tanmay Deva	50	0.00	-	-
**Shri Sushil Kuamr Kandoi	50	0.00	50	0.00
**Shri Anil Kumar Gupta	30750	0.46	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	1594982	24.03	1564632	23.58
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	1564632	23.58	1564632	23.58

Note- \* Ceased/tenure completed on 21.01.2020. \*\* Appointed w.e.f. 17.01.2020

#### 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	84.00	----	----	84.00
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>84.00</b>	<b>----</b>	<b>----</b>	<b>84.00</b>
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	1093.00	----	----	1093.00
<input type="checkbox"/> Reduction	1177.00	----	----	1177.00
<b>Net Change</b>	<b>84.00</b>	<b>----</b>	<b>----</b>	<b>84.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	....	----	----	....
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
<b>Total (i+ii+iii)</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Siddharth Gupta (CEO & MD)	Shalini Chandra (E. D.)	Ashok Kumar Gupta (C&MD)	
1.	Gross salary (a) Salary as per provisions	1488000	600000	2400000	4488000



	contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
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
		Ashok Kumar Kapoor	Praveen Singh	Tanmay Deva	Sushil Kumar Kandoi	Anil Kumar Gupta	Manan Kumar Sah	
1	Independent Directors  <input type="checkbox"/> Fee for attending board / committee meetings (sitting fee)	20000	16000	14000	1000	2000	1000	54000
	Total (1)	<b>20000</b>	<b>16000</b>	<b>14000</b>	<b>1000</b>	<b>2000</b>	<b>1000</b>	<b>54000</b>
2	Other Non-Executive Directors  <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	NIL	NIL	NIL				NIL
	Total (2)	NIL	NIL	NIL				NIL
	Total (B)=(1+2)	<b>20000</b>	<b>16000</b>	<b>14000</b>	<b>1000</b>	<b>2000</b>	<b>1000</b>	<b>54000</b>
	Total Managerial Remuneration	<b>20000</b>	<b>16000</b>	<b>14000</b>	<b>1000</b>	<b>2000</b>	<b>1000</b>	<b>54000</b>
	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  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961		766200	348000	1114200
			NIL	NIL	NIL



	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...		NIL	NIL	NIL
5.	Others, please specify				
	Total C(1+2+3+4+5)		766200	348000	1114200

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For BANARAS BEADS LTD.,

Place : VARANASI  
Date :25.06.2020

(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 2019-2020. 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		
		Tullu Sale Pvt. Ltd.		Key Managerial Persons ( for detail refer page 25,26 & 27 of board report)
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		*532036	
	Remuneration to KMP			6000864
c	Duration of the contracts / arrangements / transactions	2019-20		2019-20
d	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>• Strictly at arm length price</li> <li>• Maximum Rs. 2.00 Crores d/y</li> <li>• Transaction and payment in ordinary course of business</li> </ul>		As approved by Board/Member as applicable
e	Date(s) of approval by the Board, if any	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 : 25.06.2020

(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.1.63 Crore and for immediate preceding financial year is Rs. 2.34 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 : 25. 06. 2020

(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:**

	2019-2020	2018-2019
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	2578.06	1731.17
Net Profit Before Taxation	323.26	158.97
Net Profit after taxation	234.16	115.51
Balance of Profit & Loss Account B/F	1469.30	1354.28
<b><u>APPROPRIATIONS:</u></b>		
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	4.49	0.49
Balance of Profit & Loss Account C/F	1698.97	1469.31

**OUTLOOK:**

The Company is developing new items/products and getting order on the basis of same and in coming years demand of company products will be increased in international and indigenous market. The Trade war with Chinese products will also support us in International Market. During the year company has participated in Foreign Trade Fairs mainly held in Hong Kong and Germany and other countries.

**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 turnover of your Company increased by 49% at Rs. 2578 lacs as compared to Rs. 1731 lacs in the corresponding period of the previous year and Profit after Tax up by 103% at Rs. 234 lacs as compared to Rs. 115 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 258 as on March 31, 2020 and out of which women employees are 118.

**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, 2020, statement of profit and loss for the year ended March 31, 2020, statement of change in equity and the cash flow statement for the year ended March 31, 2020 read with statements annexed thereto are more relevant for understanding the performance of the company.

For BANARAS BEADS LTD.

Place : VARANASI  
Date : 25.06.2020

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

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.bbinvestor.com](http://www.bbinvestor.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, 2020 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 Ashok Kumar Kapoor *	Non-Executive and Independent Director	1	3	2
3. Shri Praveen Singh*	Non-Executive and Independent Director	1	3	2
4. Shri Tanmay Deva*	Non-Executive and Independent Director	1	4	NIL
5. Shri Sushil Kuamr Kandoj**	Non-Executive and Independent Director	NIL	3	2
6. Shri Anil Kumar Gupta **	Non-Executive and Independent Director	2	4	1
7. 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

\* Ceased from Directorship w.e.f. January 21, 2020 upon completion of their term as Independent Directors.

\*\* Appointed as Director and Independent Director by board subject to approval of members w.e.f. January, 17, 2020.

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

Five Board Meetings were held during the F.Y. on 30<sup>th</sup> May 2019, 25<sup>th</sup> July 2019, 24<sup>th</sup> October, 2019, 17<sup>th</sup> January 2020 and 28<sup>th</sup> February, 2020.

**4. ATTENDANCE OF EACH DIRECTORS:**

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

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





5. Shri Siddharth Gupta	5	Yes
6. Smt. Shalini Chandra	5	Yes
7. Shri Sushil Kumar Kandoi	1	No
8. Shri Anil Kumar Gupta	2	No
9. Shri Manan Kumar Sah	1	No

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, 2020 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, 2020 ARE GIVEN BELOW:**

Name	Category	Number of Equity shares held
Shri Ashok Kumar Gupta	Chairman & Managing Director	862402
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 Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva till their cessation as on 21.01.2020. Thereafter new Audit Committee constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act, Mr. Sushil Kumar Kandoi, Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah as its Members and Mr. CA. Sushil Kumar Kandoi is the Chairman. The Company Secretary acts as Secretary to the Committee.

The meetings of the Audit Committee were held 20<sup>th</sup> May' 2019, 24<sup>th</sup> July, 2019, 22<sup>nd</sup> October, 2019 and 15<sup>th</sup> January, 2020 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2019-2020 on 22.06.2020. Mr. Ashok Kapoor have attended all the meetings and Mr. Praveen Singh and Mr. Tanmay Deva 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 w.e.f. 17.01.2020 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. Praveen Singh, Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva till their cessation as on 21.01.2020. Thereafter new Nomination and Remuneration Committee constituted with 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 29<sup>th</sup> May' 2019, 24<sup>th</sup> July, 2019, 22<sup>nd</sup> October, 2019 & 15<sup>th</sup> January, 2020 to review remuneration. Mr. Ashok Kapoor have attended all the meetings and Mr. Praveen Singh and Mr. Tanmay Deva 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.bblinvestor.com.

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



During the year the CSR provision does not applied to the company. The Committee is constituted under regulation of SEBI and other applicable provisions as Corporate Social Responsibility (CSR) Committee comprising with Mr. Praveen Singh, Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva till their cessation as on 21.01.2020. Thereafter new Corporate Social Responsibility Committee constituted with 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 31<sup>st</sup> March, 2020 is attached as Annexure-IV of the board report.

The meeting of the CSR Committee were held on 29.05.2019 and 16.01.2020.

11. **INDEPENDENT DIRECTORS MEETING.**

During the year Shri Praveen Singh, Shri Ashok Kumar Kapoor and Shri Tanmay Deva were Independent Director under the provisions of Companies Act 2013 and Listing Agreement till their cessation as on 21.01.2020. On 17.01.2020 three Independent Directors namely Mr. Sushil Kumar Kandoi Mr. Anil Kumar Gupta and Mr. Manan Kumar Sah appointed by board subject to the approval of the members.

The meetings of the Independent Directors were held on 29.05.2019 and 16.01.2020 and both meetings were chaired by Mr. Tanmay Deva.

12. **COMMITTEE FOR THE SHAREHOLDERS:**

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

An Investor Grievance Committee comprising of three Non-executive Independent Directors viz. Shri Ashok Kumar Kapoor, Chairman, Shri Praveen Singh and Shri Tanmay Deva, till their cessation as on 21.01.2020. Thereafter the board of the company constituted new committee namely "**Stake Holders Relationship, Grievance And Share Transfer Committee**" with 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 29<sup>th</sup> May' 2019, 25<sup>th</sup> July, 2019, 24<sup>th</sup> October ,2019 & 17<sup>th</sup> January, 2020. The Minutes of the share transfer committee were laid before the Board of Directors of the Company for their ratification and they have ratified from time to time.

Particulars				
	Physical Transfer	Transmiss ion	Demat	Remat
No. of shares received	0	220	9800	0
No. of shares accepted	0	220	7980	0
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	1820	

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](mailto:info@masserv.com)

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

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

c) The status of total number of complaint received during the financial year 2019-2020 –

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 31.3.2020.

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			
2016-2017	-Do-	28.09.2017	3.00 PM	No special resolution passed.
2017-2018	-Do-	16.08.2018	3.00PM	Special resolution passed.
2018-2019	-Do-	08.08.2019	3.00PM	No special resolution passed.



**Postal ballots** : For the year ended on 31<sup>st</sup> March' 2020 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:**

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

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](http://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](http://www.bblinvestor.com). A Management Discussion and Analysis report is a part of this Annual Report.

16 (i) **SHAREHOLDERS INFORMATION:**

1.	<b>Annual General Meeting</b>	<b>Date Time</b>	: 10.09.2020, : 3:00 P.M
2.	<b>Meeting mode</b>		: Through Video Conference or Other Audio-Visual Means (OAVM).
3.	<b>Financial Calendar 2019-2020</b>		: (F.Y. 01/04/2019 to 31/03/2020)
4.	<b>Dates of Books Closure</b>		: From Friday, the 4 <sup>th</sup> September, 2020 to Thursday 10 <sup>th</sup> September, 2020 (both days inclusive).
5.	<b>Dividend</b>		: No Dividend for F.Y.2019-2020 recommended by board.
6.	<b>Listing on Stock Exchanges</b>		: Bombay Stock Exchange National Stock Exchange
7.	<b>Listing Fees</b>		: Fees paid to BSE and NSE.
8.	<b>Stock Code with BSE</b>		: 526849
9.	<b>Demat ISIN Number in NSDL</b>		: INE655B01011
10.	<b>Registered Office/ address for correspondence</b>		: A-1, Industrial Estate, Varanasi-221106 U.P.
11.	<b>Location of the Plant</b>		: A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi
12.	<b>Registrars for share transfer and demat purposes</b>		: <b>Mas Services Limited</b> T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- <a href="mailto:info@masserv.com">info@masserv.com</a> website : <a href="http://www.masserv.com">www.masserv.com</a>
13.	<b>Shareholders' Correspondence</b>		: All correspondence / communications regarding shares related i.e. transfer, transmission, demat, Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case of any problem, shareholder(s) may write to the company.
14.	<b>Compliance Officer</b>		: Sri R.K. Singh, Company Secretary
15.	<b>Designated Exclusive E-mail for investor service and Website</b>		: <a href="mailto:investor@bblinvestor.com">investor@bblinvestor.com</a> or <a href="http://www.bblinvestor.com">www.bblinvestor.com</a>

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 31<sup>st</sup> MARCH' 2020:**

Particular	No. of Shareholder	% out of total share holders	Number of Share held	% of share holding
001 – 500	5208	94.297	578780	8.722
501 – 1000	166	3.006	126208	1.902
1001 – 2000	71	1.286	102737	1.548
2001 – 3000	21	0.380	54498	0.821
3001 – 4000	16	0.290	58327	0.879
4001 – 5000	9	0.163	40405	0.609
5001 – 10000	9	0.163	61899	0.933
10001 – above	23	0.416	5613368	84.586
	<b>5523</b>	<b>100.00</b>	<b>6636222</b>	<b>100.00</b>

16(iv) **CATEGORY WISE SHARE HOLDING AS ON 31.03.2020:**

The category wise share holding of Members of the Company as on 31.03.2020 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	181308	2.732
3- Financial Institution / Bank	0	0.000
4- Mutual Fund	20	0.000
5- Trust	1072010	16.154
6- Non resident Indian/OCB	4768	0.071
7- Clearing Member	2727	0.041
8- Employee	1090	0.016
9- Director's relative	38160	0.575
10-IEPF	194816	2.94
10- Indian Public	1304681	19.699
<b>Total -</b>	<b>6636222</b>	<b>100.00</b>

16 (v) **top ten Shareholders (other than Directors, Promoters) as on 31.03.2020:**

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)	194816	2.94
3	MITA DIPAK SHAH	100000	1.51
4	PRASHANT GLASS WORKS PVT. LTD.	92795	1.40
5	BANARAS BEAD BUSINESS PVT. LTD.	60269	0.91
6	HARI PRAKASH GUPTA	44750	0.67
7	H.V. GUPTA	36945	0.56
8	KRISHNA JHANWAR	32880	0.49
9	UMA JAIN	32570	0.49
10	RAMIT RAJENDER BHARDWAJ	20744	0.31

16(vi) **DEMATERIALIZATION OF SHARES:**

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26<sup>th</sup> March, 2001 and as on 31<sup>st</sup> March, 2020 total number of 6349797 equity shares representing 95.68 % of the Equity Share Capital have been dematerialized. However out of total 5523 shareholders, 3275 shareholders (59.30%) 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, 2019	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, 2020	NIL	NIL



The voting rights on the shares outstanding in the suspense account as on March 31, 2020 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 given below unclaimed dividends alongwith its related shares to IEPF account-

- Interim unclaimed dividend for F.Y. 2011-12 amounting Rs. 221725/- and final dividend Rs. 426138/- and its related 115196 shares of 451 shareholders were transferred into IEPF account on 13.11.2019. In said transfer Rs. 219250 of dividend and corresponding 87700 shares related with Petitioners on account of continuous non compliance of CLB orders dt. 04.07.2007 and 03.08.2007 by him/them.

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (<https://www.bblinvestor.com>).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2019-2020 are as follows:

Financial Year	Amount of unclaimed dividend transferred (Rs.)	Number of shares transferred
Interim 2011-12	221725	88690
Final 2011-12	426138	115196

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

**For shareholders of Banaras Beads Limited:**

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2013-14	29.05.2014	29.06.2021
2014-15	25.05.2015	25.06.2022
2015-16	26.05.2016	26.06.2023
2016-17	25.05.2017	26.06.2024

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

Period (Apr 2019 to Mar 2020)

Month	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr 19	61.80	41.10	97614	62.00	41.35	464820
May 19	58.00	43.95	50239	57.500	43.50	264589
June 19	48.90	39.05	9856	51.55	38.60	43384
July 19	50.00	36.10	35097	46.45	35.30	82142
Aug 19	45.40	40.00	26851	47.20	39.90	49642
Sep 19	53.50	37.10	3536	41.75	37.15	15585
Oct 19	40.75	25.20	84758	40.90	25.90	131260
Nov 19	39.10	29.00	11613	38.50	29.00	48910
Dec 19	32.40	27.25	1742	32.40	27.20	18722
Jan 20	38.70	29.50	10034	37.95	29.00	54552
Feb 20	43.90	30.80	18910	43.45	30.65	106875
Mar 20	36.00	25.55	21428	36.45	23.00	67544

- 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. CEO / CFO CERTIFICATION:**

CEO / CFO Certificate in Compliance of Listing Agreement is enclosed in respect of the financial year 2019-20.

For BANARAS BEADS LTD.



**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, 2020, 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, 2020.

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.





**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, 2020, as stipulated in:
  - a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
  - b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2016 to September 1, 2016.
  - c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2016 to March 31, 2020 and
  - d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2016 to March 31, 2020.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2020.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Varanasi  
Date: 25.06.2020

(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](http://www.banarasbead.com), OR [www.bbinvestor.com](http://www.bbinvestor.com)
4. **E-mail id :** [info@banarasbead.com](mailto:info@banarasbead.com) OR [rksingh@banarasbead.com](mailto:rksingh@banarasbead.com)
5. **Financial Year reported :** April 1, 2019 to March 31, 2020
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; Neckleces, 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) :** 2356.89 Lacs.
3. **Total profit after taxes (INR) :** 234.16 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	<a href="mailto:siddharth@banarasbead.com">siddharth@banarasbead.com</a>

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

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

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

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	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. 258**
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis. 0**
3. **Please indicate the Number of permanent women employees. 118**
4. **Please indicate the Number of permanent employees with disabilities: 9**
5. **Do you have an employee association that is recognized by management? : NO**
6. **What percentage of your permanent employees is members of this recognized employee association? : NA**
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. NIL**

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

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

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

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

**PRINCIPLE 4**

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

**PRINCIPLE 5**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? : The company adheres to status of India's Factories Acts 1941, which embodies some of the human rights principal such as prevention of child labour, forced labour and compulsory labour.**
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? : None**

**PRINCIPLE 6**

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



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

#### PRINCIPLE 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: YES**
  - a. Federation of Indian Export Origination (FIEO)
  - b. Chemical and allied Export Promotion Council of India (CAPEXIL)
  - c. Export Promotion Council for Handicrafts (EPCH)
  - 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, 2020, 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, 2020, 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
<b>Revenue recognition of Duty Credit Scripts</b>	
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)	Our Audit procedures include the following substantive procedures- <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Value of Scripts consumed in payments of custom duty against imports made are verified from documents of import and scripts.</li> <li>• Entries for scripts transferred during the year are accounted for on actual realised value and verified from invoice and other relevant documents.</li> </ul>

**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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 46 & 47 in its financial Statement.
    - ii. The Company has made provision as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long terms contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.
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; 25.06.2020



**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 31<sup>ST</sup> MARCH, 2020.**

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 31<sup>st</sup> of March, 2020 for a period of more than six months from the date they became payable except as reported in note 30 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 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 31 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;25.06.2020



## 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, 2020 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 ensuing 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 polices 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, 2020, 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; 25.06.2020  
UDIN-20076804AAAABI8025



**Banaras Beads Limited**

Balance Sheet as at 31st March, 2020

(Amount in Rs.)

<u>Particulars</u>	NOTE NO	As at 31st March'2020	As at 31st March'2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	193484817	97958061
(b) Capital work-in-progress		0	90351796
(c) Other intangible assets		41337	41337
(d) Financial assets			
(i) Investments	3	31398468	31461740
(e) Deferred tax assets (net)	4	0	0
(f) Other non-current assets	5	1049767	1049767
<b>Current assets</b>			
(a) Inventories	6	113211950	137642132
(b) Financial assets			
(i) Investments	7	17525772	0
(ii) Trade receivables	8	2941395	7048925
(iii) Cash and cash equivalents	9	9754707	14221642
(iv) Other Bank Balance	10	74285273	70879933
(v) Loans	11	34218033	14476113
(vi) Other Advances	12	14434406	9832228
(c) Current Tax Assets (Net)	13	5016251	4986486
(d) Other current assets	14	857209	1194089
<b>TOTAL - ASSETS</b>		<b><u>498219385</u></b>	<b><u>481144249</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	66139220	66139220
(b) Other equity	16	410459835	387492609
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Defererd tax Liabilities (Net)	17	188374	177809
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	0	8400000
(ii) Trade Payable	19	1335459	2715175
(iii) Other financial liabilities	20	7450724	7885764
(b) Other current liabilities	21	8640132	6905809
(c) Provisions	22	4005641	1427863
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b><u>498219385</u></b>	<b><u>481144249</u></b>

For and on behalf of the Board of Directors

In terms of our report of even dated attached

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

(G.D. Dubey)  
Partner  
VARANASI; 25.06.2020

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

(Manan Kumar Sah)  
Independent Director  
DIN No. 00702864

(Sushil Kumar Kandoi)  
Independent Director  
DIN No. 08664771

(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, 2020**

(Amount in Rs.)

Particulars	Note No	2019-20	2018-19
Revenue from operations	23	257806115	173116844
Other Income	24	<u>9061363</u>	<u>8364363</u>
<b>Total Income</b>		<b><u>266867478</u></b>	<b><u>181481207</u></b>
<b>Expenses:</b>			
Cost of materials consumed	25	91064360	65420106
Purchases of Stock in Trade		1275000	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	15714884	3528646
Manufacturing Expenses	27	28080574	16627896
Employee benefit Expense	28	40348234	36659960
Financial Costs	29	1114873	3002937
Depreciation and amortization expense	2	13495401	15211682
Other Expenses	30	<u>43447870</u>	<u>25132511</u>
<b>Total Expenses</b>		<b><u>234541196</u></b>	<b><u>165583738</u></b>
Profit before exceptional items and tax		32326282	15897469
Exceptional Items		0	0
Profit before tax		32326282	15897469
Tax expense:			
Current tax		8900000	4850000
Deferred tax		10565	-504155
Profit for the year		23415717	11551624
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		3.53	1.74

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
VARANASI;25.06.2020

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

(Sushil Kumar Kandoi)  
Independent Director  
DIN No. 08664771

(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 31.03.2020**

Amount in Rs.

A. Equity Share Capital	No of Share	Value		
		Issued/Subscribed	Unpaid Call	Net
As at 01.04.2018	6636222	66362220	223500	66138720
Change in Equity Share Capital	0	0	-500	500
As at 31.03.2019	6636222	66362220	223000	66139220
Change in Equity Share Capital	0	0	0	0
As at 31.03.2020	6636222	66362220	223000	66139220

**B. Other EQUITY**

Particulars	Reserves & Surplus			Total
	Securities premium reserve	Retained earnings	General Reserve	
Balance as at 01.04.2018	223210600	135428211	17350000	375988811
Profit for the year		11551624		11551624
<b>Transactions with owners in their capacity as owners:</b>				
Unpaid Call received	1700			1700
Dividends paid		0		0
Dividend Distribution Tax		0		0
Tax of Earlier Year		49526		49526
<b>Balance as at 31.03.2019</b>	<b>223212300</b>	<b>146930309</b>	<b>17350000</b>	<b>387492609</b>
Profit for the year		23415717		23415717
<b>Transactions with owners in their capacity as owners:</b>				
Unpaid Call received	0	0		0
Dividends paid	0	0		0
Dividend Distribution Tax	0	0		0
Tax of Earlier Year		448491		448491
<b>Balance as at 31.03.2020</b>	<b>223212300</b>	<b>169897535</b>	<b>17350000</b>	<b>410459835</b>

In terms of our report of even dated attached

For and on behalf of the Board of Directors

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
VARANASI;25.06.2020

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

(Manan Kumar Sah )  
Independent Director  
DIN No. 00702864

(Sushil Kumar Kandoi)  
Independent Director  
DIN No. 08664771

(R.K. Singh)  
Company Secretary  
FCS 4071

(Vinay Kumar Piyush)  
Chief Finance Officer



**Cash Flow Statement For the Year Ended 31st March, 2020**

Amount in Rs.

Particulars		For the Year ended 31st March'2020	For the Year ended 31st March'2019
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) before Tax	32326282	15897469
	Adjustment For :-		
	1 Depreciation	13495401	15211682
	2 Interest Charged	556521	798693
	3 Interest Income	(8245232)	(6510833)
	4 Dividend Income	(230159)	(442448)
	5 Rental Income	(111887)	(979500)
	6 Fair Value change of Short Term Investments	963825	0
	7 Long Term Investment written off	63272	0
	8 Profit/(Loss) on Sale of Investment	(29085)	0
	Operating Profit before change in working capital	38788938	23975063
	Adjustment for (increase)/Decrease in Operating Assets:		
	1 Inventories	24430182	3008703
	2 Trade Receivables	4107531	837823
	3 Short Term Loans and Advances	(24344099)	(15519358)
	4 Other Non Current Assets	307115	3562785
	Adjustment for increase/(Decrease) in Operating Liabilities:		
	1 Trade Payables	(1379716)	(638565)
	2 Other Current Liabilities	1299284	(7041178)
	3 Short Term Provisions	2577778	30563
	Cash Generated from Operation	45787013	8215836
	Income Tax Paid	(9348491)	(4899526)
	<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>36438522</b>	<b>3316310</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Property, Plant and Equipment / CWIP (Net)	(18670361)	(2591137)
	2 Net Proceeds from Investment From Mutual Funds	(13549402)	0
	From Others	(4911110)	(250000)
	3 Interest Received	8245232	6510833
	4 Dividend Received	230159	442448
	5 Rental Income	111887	979500
	<b>NET CASH UTILISED IN INVESTING ACTIVITIES (B)</b>	<b>(28543595)</b>	<b>5091644</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	1 Amount Received against Calls in Arrears	0	2200
	2 Proceeds / (Repayment) of Short Term Borrowings	(8400000)	(10630200)
	3 Interest Paid	(556521)	(798693)
	<b>NET CASH UTILISED IN FINANCING ACTIVITIES (C)</b>	<b>(8956521)</b>	<b>(11426693)</b>
<b>I</b>	Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C)	(1061594)	(3018739)
<b>II</b>	Cash and Cash Equivalent at the beginning of the year	85101575	88120314
<b>III</b>	Cash and Cash Equivalent at the end of the Reporting Period	84039980	85101575
<b>IV</b>	Cash and Cash Equivalent at the end of the Reporting Period		
	Balance with Bank	82551428	83671603
	Cash in Hand	1488552	1429972
		84039980	85101575

**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.

For G D Dubey & Associates  
Chartered Accountants

(G.D. Dubey)  
Partner  
VARANASI;25.06.2020

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

(Manan Kumar Sah )  
Independent Director  
DIN No. 00702864

(Sushil Kumar Kandoi)  
Independent Director  
DIN No. 08664771

(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 read with sub-section (1) 210A of the Companies Act,1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. The financials for the 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 date 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 Companies Act'2013 segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method by adjusting the net profit for prescribed items.

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

The company has 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 01.04.2019	ADDITION	DEDUCTION	TOTAL	UPTO 31.03.2019	DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL	AS ON 31.03.2020	AS ON 31.03.2019
<b>TANGIBLE ASSETS</b>										
LEASEHOLD LAND	29843			29843	0			0	29843	29843
LAND	3471433	73165086		76636519	0	0		0	76636519	3471433
FACTORY BUILDING	130086630	30876957		160963587	69231329	6030803		75262132	85701455	60855301
FURNITURE AND FIXTURES	11751226	412237		12163463	10861320	202599		11063919	1099544	889906
PLANT AND MACHINERY	78554772	1568909		80123681	57033911	4025340		61059251	19064430	21520861
ELECTRICAL EQUIPMENTS	25411314	189000		25600314	19444886	1537757		20982643	4617671	5966428
OFFICE EQUIPMENTS	912240			912240	849475	12115		861590	50650	62765
VEHICLES	23329169	2545104		25874273	20709071	1129555		21838626	4035647	2620098
COMPUTER	6576134	130379		6706513	6181751	80470		6262221	444292	394383
FURNACES	1708349			1708349	1673863	0		1673863	34486	34486
MOBILE PHONE	664070	134485		798556	391553	143715		535268	263288	272517
EFFLEUNT TREATMENT DISPOSAL SYSTEM	4091728			4091728	2251688	333047		2584735	1506993	1840040
Sub Total	286586908	109022157	0	395609065	188628847	13495401	0	202124248	193484817	97958061

**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	90351796		90351796	0		0		0	0	90351796
Sub Total	90351796	0	90351796	0	0	0	0	0	0	90351796



	<u>31.03.2020</u>	<u>31.03.2019</u>
<b><u>INVESTMENTS</u></b>	<b>3</b>	
<u>Investment in Equity Shares</u>		
(a) Quoted Shares	180038	243310
(b) Unquoted Shares	1218430	31218430
<u>Other Investments</u>		
(a) Investment in Limited Liability Partnership	<u>30000000</u>	
	<b><u>31398468</u></b>	<b><u>31461740</u></b>

**ANNEXURE TO NOTE -3**

<u>NON-CURRENT INVESTMENTS</u>	No. of shares	Face Value	31.03.2020	31.03.2019
<b><u>In Equity Shares - Un Quoted</u></b>				
BBL Beads Ltd-Share	87500	10	1125000	1125000
Banaras Bead Business Pvt Ltd. (P.Y. 5000 shares of F.V. of Rs. 100.00 each, During the current year company converted into LLP)			0	30000000
India Exposition Mart Ltd.	9343	10	93430	93430
<b><u>In Equity Shares - Quoted</u></b>				
Pertech Computers Ltd.	600	10	*0	36000
Elbee Services Ltd.	100	10	*0	14000
Kabson Industries Ltd.	1300	10	13000	13000
Bholanath International Ltd.	300	10	*0	6020
Ideal Carpets Ltd.	300	10	*0	2252
M.P.Telelink Ltd.	500	10	*0	5000
Rungta Irrigation Ltd.	600	10	36797	36797
Benaras Hotels Ltd	100	100	130241	130241
<b><u>Other Investment</u></b>				
Banaras Bead Business LLP (Capital Account)**			30000000	0
<b>Total</b>			<b>31398468</b>	<b>31461740</b>

Aggregate Cost of Quoted Investment in Shares-  
(Rs 180038, Previous Year 243310)  
(Market value Rs 145573 Previous Year Rs 236927)

Aggregate Cost of Un-Quoted Investment in Shares-  
(Rs 1218430, Previous Year Rs.31218430)

Aggregate Cost of Other Investments  
(Rs 30000000, Previous Year Rs.Nil)

\* Written off during the year. Refer Note 36

\*\* Refer Note 36

**DEFERRED TAX ASSETS**

**4**

Related to Fixed Assets	0	0
(Difference between book depreciation & tax depreciation)		
	<b>0</b>	<b>0</b>

**OTHER NON-CURRENT ASSETS**

**5**

Unsecured Security Deposits, considered good	1049767	1049767
	<b>1049767</b>	<b>1049767</b>





**CURRENT ASSETS**

**INVENTORIES**

6

(As Taken, Valued as per policy stated in point J of Accounting Policies and Certified by the Management.)

Raw Material	27695880	31920138
Finished Goods	82148313	97863197
Packing Material	1347226	5933559
Stores & Spares	2020531	1925238
	<b>113211950</b>	<b>137642132</b>

**INVESTMENTS**

7

a) Investment in Mutual Fund	13549402	0
b) Investment in Quoted Equity Shares	3976370	0
	<b>17525772</b>	<b>0</b>

**ANNEXURE TO NOTE -7**

**Current Investments**

Particulars	NO.	Cost	Market Value
<b>a) Investment in Mutual Fund</b>			
Investment in Baroda Liquid Fund of Baroda Mutual Fund		13549402	13549402
<b>b) Investment in Quoted Equity Shares</b>			
Ambuja Cements Limited (face value Rs. 2/- each)	1400	249829	217980
Axis Bank Limited (face value Rs. 2/- each)	800	468269	303200
HDFC Bank Limited (face value Rs. 1/- each)	900	927711	775710
ITC Limited (face value Rs. 1/- each)	1400	243273	240380
Larsen and Toubro Limited (face value Rs. 2/- each)	800	888720	646800
Mahindra and Mahindra Limited (face value Rs. 5/- each)	1300	521601	370435
Reliance Industries Limited (face value Rs. 10/- each)	900	1043445	1002375
Tata Steel Limited (face value Rs. 10/- each)	1100	399277	296560
Vedanta Limited (face value Rs. 1/- each)	1900	198070	122930
		<b>18489597</b>	<b>17525772</b>

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/- (Previous Year NIL) is debited to the Statement of Profit & Loss under the head other expenses and disclosed in note 30.

**TRADE RECEIVABLES**

8

Unsecured, Considered good by the management	2941395	7048925
	<b>2941395</b>	<b>7048925</b>

**CASH & CASH EQUIVALENTS**

9

Balance with Banks	8266155	12791670
Cash in Hand (As certified by the management)	1488552	1429972
	<b>9754707</b>	<b>14221642</b>

**Other Bank Balances**

10

Fixed Deposit with Bank	71275396	67198070
Earmarked Balance With Bank ( For Unclaimed Dividend)	3009877	3681863
	<b>74285273</b>	<b>70879933</b>



<b><u>LOANS</u></b>	<b>11</b>				
<u>Unsecured, Considered Good by the Management</u>					
Loan to Related Parties			0		0
Loan to Others		33021543			14476113
<u>Unsecured, Considered Doubtful by the Management</u>					
Loan to Others			1196490		0
			<b>34218033</b>		<b>14476113</b>
<hr/>					
<b><u>OTHER ADVANCES</u></b>	<b>12</b>				
<u>Unsecured, Considered Good by the Management</u> (Recoverable in Cash or in Kind or value to be received)					
Advance to Suppliers & Other		6580313			4046891
Export Incentive Receivables		6259738			4190982
<u>Unsecured, Considered Doubtful by the Management</u>					
Advance to Suppliers & Other (Doubtful)			1594355		1594355
			<b>14434406</b>		<b>9832228</b>
<hr/>					
<b><u>CURRENT TAX ASSETS</u></b>	<b>13</b>				
Advance Payment for Taxes (Net)			0		610030
Claim of GST/VAT		5016251			4376456
			<b>5016251</b>		<b>4986486</b>
<hr/>					
<b><u>OTHER CURRENT ASSETS</u></b>	<b>14</b>				
Prepaid Expenses			857132		1193493
Postage Imprest			77		596
			<b>857209</b>		<b>1194089</b>
<hr/>					
<b><u>SHARE CAPITAL</u></b>	<b>15</b>				
<b><u>AUTHORISED CAPITAL</u></b>					
1,20,00,000 Equity Share of Rs. 10/- Each			<b>120000000</b>		<b>120000000</b>
<hr/>					
<b><u>ISSUED SUBSCRIBED &amp; FULLY PAID UP SHARE CAPITAL</u></b>					
6636222 Equity Shares of Rs. 10/- Each Fully paid -up			66362220		66362220
Less: Unpaid Calls			223000		223000
			<b>66139220</b>		<b>66139220</b>
<hr/>					
			<b>31.03.2020</b>		<b>31.03.2019</b>
<b>Shareholders holding more than 5% shares</b>		<b><u>No.</u></b>	<b><u>(%)</u></b>	<b><u>No.</u></b>	<b><u>(%)</u></b>
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	350110	( 5.28)		350110	( 5.28)
Siddharth Gupta	701000	( 10.56)		701000	( 10.56)
<hr/>					
<b><u>OTHER EQUITY</u></b>	<b>16</b>				
<b><u>A. GENERAL RESERVE</u></b>					
Opening Balance.			17350000		17350000
Transferred During the Year			0		0



<b>Sub Total (A)</b>		<b>17350000</b>	<b>17350000</b>
<b><u>B. Securities Premium Reserve</u></b>		224765500	224765500
Less : Unpaid Calls		1553200	1553200
<b>Sub Total (B)</b>		<b>223212300</b>	<b>223212300</b>
<b><u>C. SURPLUS OF PROFIT &amp; LOSS</u></b>			
Balance as per Last Account		146930309	135428211
Net Profit After Tax		23415717	11551624
Less: Transferred to General reserve		0	0
Dividend Paid		0	0
Tax on Dividend Paid		0	0
Taxes of Earlier Years		448491	49526
<b>Sub Total (C)</b>		<b>169897535</b>	<b>146930309</b>
<b>Total (A+B+C)</b>		<b>410459835</b>	<b>387492609</b>
<b><u>DEFERRED TAX LIABILITIES</u></b>			
Related to Property, Plant & Equipment and Intangible Assets	17	188374	177809
Related to others		0	0
		188374	177809
<b><u>Borrowings</u></b>	18		
<b>Secured Loans from Bank-Repayable on demand</b>			
Kotak Mahindra Bank Limited -Packing Credit Indian Currency		0	8400000
(Secured against All existing & future Current Assets, Fixed Deposits of the Bank & Building (Plot No A-1) situated at Industrial Estate, Varanasi.)			
		<b>0</b>	<b>8400000</b>
<b><u>TRADE PAYABLE</u></b>	19		
Trade Payable		1335459	2715175
		<b>1335459</b>	<b>2715175</b>
<b><u>OTHER FINANCIAL LIABILITIES</u></b>	20		
Other Liabilities		4440847	4203901
Unclaimed Dividend		3009877	3681863
		<b>7450724</b>	<b>7885764</b>
<b><u>OTHER CURRENT LIABILITIES</u></b>	21		
Advance from Customers		8640132	6905809
		<b>8640132</b>	<b>6905809</b>
<b><u>PROVISIONS</u></b>	22		
Provisions for Income Tax (Net)		1081726	0
Provisions for Gratuity		2923915	1427863
		<b>4005641</b>	<b>1427863</b>
<b><u>REVENUE FROM OPERATIONS</u></b>	23		
<b><u>SALES OF PRODUCTS</u></b>			
Export Sales		233924371	143452744
Domestic Sales		1764878	20450783
<b>Sub Total</b>		<b>235689249</b>	<b>163903527</b>
<b><u>OTHER OPERATING REVENUE</u></b>			
Focus /VKUY License Transfer		9434165	6785925
Export Incentive & Other Benefits		5559910	2340805
Exchange Rate Difference/Forward Contract Income		7122791	86587
<b>Sub Total</b>		<b>22116866</b>	<b>9213317</b>



Total	257806115	173116844
<b><u>OTHER INCOME</u></b>	<b>24</b>	
Interest Income	8245232	6470859
Dividend	230159	442448
Net Gain on Sale of Investment	29085	0
Rent-Taxable	83887	951500
Rent-Non Taxable	28000	28000
Sundry balance W/Back	0	62225
Interest on Refund of Income Tax	0	39974
Misc.Other Income	445000	369357
<b>Total</b>	<b>9061363</b>	<b>8364363</b>
<b><u>COST OF MATERIAL CONSUMED</u></b>	<b>25</b>	
<b><u>OPENING STOCK</u></b>		
Raw Material	31920138	31176895
Stores & Consumables	1925238	2142087
Packing Material	5933559	5940010
<b>Sub Total</b>	<b>39778935</b>	<b>39258992</b>
<b><u>PURCHASES</u></b>		
Raw Material	3963796	9328202
Semi Finished Goods	60428853	46504622
Packing Material	14584750	7920151
Stores & Consumables	3371663	2187073
<b>Sub Total</b>	<b>82349062</b>	<b>65940048</b>
<b><u>CLOSING STOCK</u></b>		
Raw Material	27695880	31920138
Stores & Consumables	2020531	1925238
Packing Materials	1347226	5933559
<b>Sub Total</b>	<b>31063637</b>	<b>39778935</b>
<b>Cost of Material Consumed</b>	<b>91064360</b>	<b>65420106</b>
<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</u></b>	<b>26</b>	
<b><u>OPENING STOCK</u></b>		
Finished / Semi Finished Goods	97863197	101391843
<b><u>CLOSING STOCK</u></b>		
Finished / Semi Finished Goods	82148313	97863197
<b>(Increase)/Decrease</b>	<b>15714884</b>	<b>3528646</b>
<b><u>MANUFACTURING EXPENSES</u></b>	<b>27</b>	
Bead & Handicraft Manufacturing & Finishing Expenses	21587679	9179479
Power & Fuel	4461500	5714015
Freight,Custom Duty & Clearing Exp	2031395	1734402
<b>Sub Total</b>	<b>28080574</b>	<b>16627896</b>
<b><u>EMPLOYEE BENEFIT EXPENSE</u></b>	<b>28</b>	
Salaries & Wages	29431407	27407779
Bonus to Employees	3110362	3530516
Providend Fund & ESI	3769337	3621534



EDLI, Training and Gratuity	3581832	1793717
Staff Welfare Expenses	455296	306414
	<b>40348234</b>	<b>36659960</b>
<b>FINANCIAL COST</b>	<b>29</b>	
Interest paid to bank	556521	798693
Bank Charges	558352	804904
Exchange Rate Difference & Forward Contract for Bank Loan	0	1399340
	<b>1114873</b>	<b>3002937</b>
<b>OTHER EXPENSES</b>	<b>30</b>	
<b>EXPORT &amp; SELLING EXPENSES</b>		
Foreign Traveling Expenses	8231287	4523950
Export / Local Freight, Shipping & Selling Expenses	13429239	8276438
Trade Fair exp	1976316	1297571
Local Traveling Expenses	2080214	876298
<b>Sub Total</b>	<b>25717056</b>	<b>14974257</b>
<b>REPAIR &amp; MAINTENANCE</b>		
Building	4544153	21810
Machinery	1064399	1091929
Vehicle & Others	2282859	2326500
<b>Sub Total</b>	<b>7891411</b>	<b>3440239</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Insurance	1220947	957061
License & Fees	520558	135930
Membership & Subscription	38705	53820
Communication Charges	343007	315387
Conveyance Charges	92268	41477
Printing & Stationery	349851	368530
Professional & Legal Expenses	1090295	1217240
Share Listing, Depository & Registrar Exp	713650	938610
Vehicle Running & Maintenance	1068488	666964
Director Sitting Fees	54000	54000
Postage exp.	66238	132579
Exchange rate diff	0	842584
Long Term Investment written off	63272	0
Loss Due To Decline in Market Value of Short Term Investments	963825	0
Donation to political party	250000	0
Others	2889299	864583
<b>Payment to Auditor</b>		
As Auditor	75000	75000
For Tax/VAT Audit Fees	10000	20000
For Certification / Quarterly Review Fees	30000	34250
<b>Sub Total</b>	<b>9839403</b>	<b>6718015</b>
<b>Total</b>	<b>43447870</b>	<b>25132511</b>



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. 37.64 lacs)

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	31.03.2020		31.03.2019	
				Transaction	Outstanding	Transaction	Outstanding
1	Key Managerial Personnel						
	Ashok Kumar Gupta	Director (Executive)	Remuneration	2421600	0	2405400	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	794880	0
	Jai Singh	Chief Finance Officer	Remuneration including P.F.	0	0	213928	0
	Vinay Kumar Piyush	Chief Finance Officer	Remuneration including P.F.	389760	0	0	0
2	Independent Directors						
	Ashok Kumar Kapoor	Independent Director	Sitting Fees	20000	0	18000	0
	Praveen Singh	Independent Director	Sitting Fees	16000	0	18000	0
	Tanmay Deva	Independent Director	Sitting Fees	14000	0	18000	0
	Sushil Kumar Kandoi	Independent Director	Sitting Fees	1000	0	0	0
	Anil Kumar Gupta	Independent Director	Sitting Fees	2000	0	0	0
	Manan Kumar Sah	Independent Director	Sitting Fees	1000	0	0	0
3	Banaras Beads Exports Ltd	Shareholder	Advance transaction	0	0	735000	0
4	Banaras Glass Beads Limited	Director and shareholder	Purchase	0	0	1904543	0
5	Mathur Vaishya Jan Kalyan trust	Trustee	Expenses	57608	0	363629	0
			Other	335021	0	0	0
			Advance against expenses	500000	0	0	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	0
9	Nandi Export Pvt. Ltd	Director		0	0	0	0
10	Banaras Beads Business P. Ltd	Director and shareholder	Investment in shares	-30000000	0	0	30000000
11	Banaras Beads Business LLP	Partner	Investment in LLP	30000000	30000000	*	*
12	Taurus Construction Pvt. Ltd.	Director		0	0	0	0
13	Omini Marketing Pvt. Ltd.	Director and shareholder		0	0	0	0
14	Industrial Auto Mobiles & Fuels Ltd.	Director and shareholder		0	0	0	0
15	Sanwaria Trade-Link LLP	Partner		0	0	*	*
16	Sanwaria Trade-Link P. Ltd.	Director		0	0	0	0
17	Ram Gulam Kanhaiya Lal Charitable trust	Managing Trustee/Trustee	Donation	1825000	0	1000	0
18	Kala Prakash Society	Director is Committee member	Donation	0	0	165000	0
19	Gupta Construction Pvt. Ltd	Director				*	*
20	AB GreenVallyeys LLP	Director is Partner				*	*
21	Tullu Sales Pvt. Ltd.	Director	Purchase	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 - \* In previous year it was not Related party.

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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Borrowing	0	8400000

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 except long term investment in quoted equity shares amounting to Rs. 63272/- (Previous year NIL) which are now not 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 31<sup>st</sup> March, 2020 is one year.

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

a. 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.

b. Rs. 300.00 lacs (previous year rupees NIL) was invested by the company in the shares of M/s Banaras Bead Business Pvt. Ltd. which was converted to LLP during the year. Rs. 300.00 lacs is shown as investment in limited liability partnership. No effect of share of profit/loss is made in absence of audited Financial Statement of LLP as on 31.03.2020.

viii) **Details of current investments:**

a. Investment in mutual fund: Rs. 135.49 lacs (Previous year NIL) is invested 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 has been 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. 963825/- (Previous Year NIL) is debited to the Statement of Profit & Loss under the head other expenses and disclosed in note 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 one customers amounting to Rs. 1474.60 lacs [previous year 585.11 lacs (352.22 and 232.89 from two 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>31.03.2020</u>	<u>31.03.2019</u>
Current tax on profits for the year	8900000	4850000
Deferred Tax	10565	-504155
Income tax expenses recognised in profit & loss statement	<u>8910565</u>	<u>4345845</u>

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



Profit before tax	32326282	15897469
Corporate tax rate	25.17%	27.82%
Tax on Accounting profit	8135879	4422675
<b>(i) Tax on income exempt from tax</b>		
(A) Dividend income	57926	123089
(B) Capital Gain	7320	0
<b>(ii) Tax on expenses not tax deductible:</b>		
(A) Donation	232930	31594
(B) Provision of Gratuity	376526	0
(C) Other Disallowance	242575	0
(iii) Tax Effect of Depreciation excess claimed in books	-25095	504155
(iv) Tax effect of Capital Gain taxable at different rate	6225	0
Tax Expense (Net)	8903794	4835335
Tax Expense Rounded off & recognised during the year	<b>8900000</b>	<b>4850000</b>

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

		(Rs. )	
Sl. No.	Particulars	2019-20	2018-19
(a)	Opening balance as at April 1	177809	681964
(b)	Tax (Income)/expense during the period recognized in:		
	(i) Statement of Profit and Loss in Profit or Loss section	10565	(504155)
	(ii) Statement of Profit and Loss under OCI section	0	0
	(iii) Retained earning	0	0
	Closing balance as at March 31	188374	177809

Deferred tax liabilities 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 Liability 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. 29.24 lacs (previous year 14.28 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>2019-2020</u>	<u>2018-2019</u>
Net Profit attributable to shareholders (Rs.) :	23415717	11551624
Weighted average numbers of equity shares :	6636222	6636222
Basic earnings per share of Rs. 10/- each (Rs.) :	3.53	1.74

**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 :**

(Rs.)	Current Year (Rs.)	Previous Year
A. Chairman & Managing Director (Ashok Kumar Gupta)		
Salaries	2400000	2400000
Contribution to Provident Fund	21600	5400
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	192400
Contribution to Provident Fund	41760	21528
E. Company secretary (R.K. Singh)		
Salaries & Allowances	766200	720000
Contribution to Provident Fund	84744	74880
44. Details of Payment made to Auditors		
As Auditor	75000	75000
For Tax/VAT Audit Fees	10000	20000
For Certification / Quarterly Review Fees	30000	34250
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 31.3.2020 amounting to rupees NIL (Previous Year 16.53 lacs ). 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. 3009877 (previous year Rs. 3681863). The amount does not include amount of demand drafts issued but not en cashed by the shareholders.		
47. Rs.1594355 (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 NIL) 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. <b><u>PENDING PETITION WITH NCLT:</u></b>		
The Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order dt. 04.07.2007 and 03.08.2007 in the matter of C.P. No. 14/99, CP No. 14/111/1999, 15/111/1999 and 1/111/2001 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 1 <sup>st</sup> 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. <b><u>DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC</u></b>		
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 thrice and fourth phase completed on 31 <sup>st</sup> May, 2020.		
The company is manufacturing and leading Exporter of Glass Beads Handicrafts and its related items, mainly to US and all other countries. In the present situation, it is difficult to ascertain the overall impact of the outbreak. The pandemic may significantly impact business of the Company as under :		
<ul style="list-style-type: none"> <li>- The Foreign Buyers may cancel orders but orders of approximately rupees twenty lacs only has been cancelled.</li> <li>- Buyers may not give further orders.</li> <li>- Shipment of goods could not be done during lockdown.</li> </ul>		
a. <b>Ability to maintain operations including the factories/units/office spaces functioning and closed down;</b>		



After getting necessary permissions from the concerned local authorities and 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 has started its manufacturing. Shipment of goods has also been started.

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

Covid-19 certainly would have major negative impact on the export business. Being the Manufacturer and Exporter of fashionable items would be effected to the extent as per the market condition, transportation, demand and policy of the various countries. However, the company is not expecting much future impact as major orders are not being cancelled by the Foreign Buyers/Stores, as such once the situation become normal in US and other countries, the company hope to give good results.

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

- a. **Profitability-** The company expect that its profitability will not be affected badly 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 short term investment 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 Buyer giving full support to the company do not expect any short fall in demand of its products.

**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 does not form significant part of current assets 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.

**51. MISCELLANEOUS NOTES ON ACCOUNTS:**

- i) There are no small scale industrial undertakings ( who has informed their SME 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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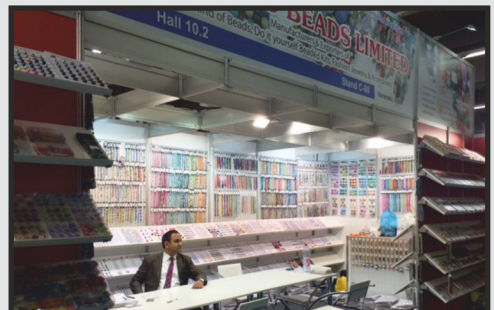
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