

BOARD OF DIRECTORS

Ashok Kumar Gupta	: Chairman & Managing Director
Siddharth Gupta	: Whole Time Director
Ashok Kumar Kapoor	: Independent and Non-executive Director
Praveen Singh	: Independent and Non-executive Director
Tanmay Deva	: Independent and Non-executive Director

Company Secretary

R.K. Singh

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

Kamal Kishore & Co.
Chartered Accountants,
Varanasi

UNITS

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

BANKERS

Bank of Baroda
Kotak Mahindra Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II,
New Delhi - 110 020
Ph:- 26387281/82/83
Fax:- 26387384
email:- info@masserv.com
website : www.masserv.com

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NOTICE

NOTICE is hereby given that 30th 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 5th August, 2010 at 3.00 P.M. to transact the following **Business**:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ashok Kumar Kapoor, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General meeting, until the conclusion of the next annual General Meeting and to fix their remuneration.

Special Business:

4. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Shri Siddharth Gupta who was appointed as Additional Director and holds office up to the date of this Annual General Meeting of the company and in respect of whom the company has received a Notice in writing under Section 257 of Companies Act, from a Member proposing his candidature for office of Director, be and is hereby appointed as Director of the Company.”

5. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 Schedule XIII and other applicable provision, if any, of the Companies Act, 1956, the Members of the Company be and are hereby approve the appoint of Mr. Siddharth Gupta as Whole Time Director of the Company for period of five years, w.e.f. 08.07.2010 as per the terms and conditions as stated in the explanatory statement and on the remuneration set out as follows :

i) SALARY:

A salary of Rs. 1,00,000/= (Rupees one lac only) per month.

ii) PERQUISITES :

In addition to the above, the Whole Time Director shall be entitled to the following perquisites specified in categories “A” and “B”.

CATEGORY “A”

Encashment of Leave:

Encashment of leave at the end of the tenure.

CATEGORY “B”

Leave Travel Concession: - For the Whole Time Director and his family once in a year incurred in accordance with any rules specified by the Company.

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

Place : VARANASI
Date : 08. 07. 2010

(R.K.SINGH)
Company Secretary

NOTES:

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

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

- 2.** The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 22nd July, 2010 to Thursday, the 5th August, 2010 (both days inclusive).
- 3.** Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
- 4.** Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip and proxy form for attending the Meeting.
- 5.** The Company entered into agreements National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for Dematerialisation of equity shares of the Company, after introduction of depository System. **The INE number of the company is 655B01011.**

The Members, who have not dematerialised their holdings, have liberty to dematerialize their shares through a recognized Depository participant, by forwarding their request to the REGISTRAR-

M/s Mas Services Limited

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

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

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

- 6.** Members are requested to send their phone, fax and E-mail detail for better communication and also notify the changes in their address, if any, immediately to the Registrar in respect of shares held in physical form and to their respective Depository Participants, if shares are held in electronic form.
- 7.** Detail of Director Shri Ashok Kumar Kapoor, who retires by rotation and seeking re-appointment (In pursuance of Clause 49 of listing agreement)

Name	:	Shri Ashok Kumar Kapoor
Fathers name	:	Late Ram Krishna Kapoor
Date of Birth	:	15.10.1951
Nationality	:	Indian
Qualifications	:	Graduate.
Date of appointment on the board	:	29.01. 1999
PAN No.	:	ADUPK1929M
DIN No.	:	00142499
List of directorship held in other Company(s)	:	i) M/s R.K. Impex (P) Limited ii) M/s Roli Books (P) Ltd. iii) M/s R.K. Leasing & Properties (P) Ltd.
Chairmanship/membership of Committees in Public Companies	:	i) Chairman Audit Committee of Banaras Beads Ltd. ii) Member Shareholders/ Investor Grievance Committee of Banaras Beads Ltd.

EXPERIENCE:

Mr. Ashok Kapoor is having experience in Carpet, Handicrafts and other related items business, more than three decades.

- 8.** Item no 5 will be considered only after approval of Item no 4 of the notice.

EXPLANATORY STATEMENT:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956, IN THE RESPECT OF:

ITEM NO.4

1. Mr. Siddharth Gupta was appointed as an Additional Director by Board of Directors of the Company w.e.f. 08.07.2010, pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Siddharth Gupta will hold the office of Director up to the date of this 30th Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Siddharth Gupta for the office of a Director. Requisite consent, pursuant to Section 264(1) of the Act, has been filed by Mr. Siddharth Gupta to act as such Director, if appointed. Mr. Siddharth Gupta holds 201000 shares in the company.

2. Profile of Mr. Siddharth Gupta (In pursuance of Clause 49 of listing agreement):

Name	: Shri Siddharth Gupta
Father's Name	: Shri Ashok Kumar Gupta
Address	: B/27/80, A-1-A, Ravindrapuri, Varanasi
Nationality	: Indian
Date of birth	: 1 st March, 1983
DIN No.	: 00342369
PAN NO.	: AGEPG1158R

QUALIFICATION & EXPERIENCE:

Mr. Siddharth Gupta is BA (Hons) Glass from University of Wolverhampton, UK. He is having good knowledge of marketing and production of Glass Beads, handicrafts, imitation Jewelry, necklace and other related items.

DIRECTORSHIP OF OTHER COMPANIES:

- i. M/s BBL Beads Limited.
- ii. M/s Mangalam Hospitality India Limited.
- iii. M/s Banaras Glass Beads Limited

Mr. Siddharth Gupta is not a Member of any committee of the company.

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

ITEM NO. 5.

Mr. Siddharth Gupta was appointed as the Whole Time Director of the Company by Board of Directors at their meeting held on 08.07.2010. His appointment and remuneration as Whole Time Director is subject to approval of Members of the Company. The terms and condition of his appointment are as follows:

- 1) Period of appointment - Five years from 08.07.2010 to 07.07.2015.
- 2) Detail of remuneration - As provided in resolution. The said remuneration is within the Limit prescribed in Schedule XIII of the Companies Act.
- 3) Mr. Siddharth Gupta shall be responsible to conduct and manage business and others works of the Company and he shall perform such other duties as shall from time to time be entrusted to him subject to the superintendence, guidance and control of the Board of Directors of the Company.

Mr. Siddharth Gupta is young and energetic person, completed his graduation from Wolverhampton, University, UK. He had widely travelled World wide and have good knowledge and experience in managing production and Marketing of Glass Beads and Handicrafts products. His appointment will benefit a lot to the Company.

The copies of relevant resolution of the Board and other relevant documents concerning with appointment of Whole Time Director is available for inspection by Members at the registered office of the Company during any working day till the date of AGM.

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

The Board recommends this resolution for your approval.

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

Place : VARANASI
Date : 08. 07. 2010

(R.K.SINGH)
Company Secretary

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Reports together with the Audited Accounts of the Company for the year ended on 31st March 2010.

FINANCIAL RESULTS:

	2009-2010	2008-2009
	(Rs. in lacs)	(Rs. in lacs)
TOTAL TURNOVER	3327.32	2350.18
Net Profit Before Taxation	467.89	324.44
Provision for Taxation	13.60	2.05
Net Profit after taxation	454.28	322.39
Excess Provision of Taxation written back	0	0.40
Balance of Profit & Loss Account B/F	-92.03	-386.78
Deferred Tax Adjustment	-34.92	-28.05
Balance of Profit & Loss Account C/F	327.33	-92.03

APPROPRIATIONS:

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

DIRECTORS RESPONSIBILITY STATEMENT:

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

- That in preparation of Annual Accounts for the F.Y. ended on 31.03.2010, the applicable accounting standards have been followed ;
- That the directors selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss Accounts of the Company.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- That the Directors have prepared the Annual Accounts on a "going concern" basis.

OPERATION:

During the year the turnover of the Company has been increased by 41.58% besides facing all adverse situation and competition with China.

DIVIDENDS:

Due to adjustment of carried forward losses during the year, no dividend has been recommended for the year.

SETTLEMENT OF MANAGEMENT DISPUTES:

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

DIRECTORS:

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

Mr. Siddharth Gupta was appointed as an Additional Director by Board of the Company with effect from 08.07.2010 and he may hold the office of Director up to the date of forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Siddharth Gupta for the office of a Director.

Mr. Siddharth Gupta has been appointed as Whole Time Director by Board on 08.07. 2010. His remuneration and appointment is subject to approval of Members.

RE-APPOINTMENT OF AUDITORS:

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

PARTICULARS OF EMPLOYEES :

The company did not have any employee covered by the provisions of Section 217(2A) of the Companies Act' 1956, read with Companies (Particulars of Employee) Rules 1975 for F.Y. 2009-2010.

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

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

a) Conservation of Energy :

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

b) Technological Absorption:

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

c) Foreign Exchange Earning and Outgo:

The foreign exchange earnings of the Company during the financial year has been Rs 3029.27 lacs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 341.64 lacs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

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

FIXED DEPOSITS :

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

ACKNOWLEDGMENT:

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

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

Place : VARANASI
Date : 08. 07. 2010

(Ashok Kumar Gupta)
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

Your company is an Export House recognized by Government of India, Ministry of Commerce & Industries and main business of handicrafts like Glass Beads, Necklaces, imitation Jewellery in indigenous and Export market. In indigenous market company is doing business under the Trade name and style De-Lemon unit of Banaras Beads Ltd. Through Retail Counters, Shop, Stores, Franchise and others under arrangement / agreement with various parties and Retail Stores like Sahara Mall, Odyssey, Big Bazar, Pantaloon etc. The Company's products are mainly fashionable items thus its demand round with fashion.

Your Company's management is making extensive efforts on quality, cost reducing and wide it's marketing.

OPPORTUNITIES & THREATS:

Hand made items like Glass Beads and other fashionable items are continuously appreciated in International market and on growth. It is anticipated that there is always growth in the market in every year. Hence, there are opportunities for doing more business in this line. But the China has picked up much share in the market due to their unbelievable low pricing patterns. Thus not only competition has increased but also the Company is forced to reduce the price under pressure and to offers to sell its products at unremunerative prices. The fluctuation in rate of foreign currency will also affect our business and profit. The management is aware about this situation and has taken appropriate steps to meet the threats.

SEGMENT:

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

FINANCIAL / OPERATIONAL PERFORMANCE:

	2009-2010	2008-2009
	(Rs. In lacs)	(Rs. In lacs)
TOTAL TURNOVER	3327.32	2350.18
Net Profit Before Taxation	467.89	324.44
Provision for Taxation	13.60	2.05
Net Profit after taxation	454.28	322.39
Excess Provision of Taxation written back	0	0.40
Balance of Profit & Loss Account B/F	-92.03	-386.78
Deferred Tax Adjustment	-34.92	-28.05
Balance of Profit & Loss Account C/F	327.33	-92.03

APPROPRIATIONS:

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

OUTLOOK :

The China and other countries are giving much competition in international market. In these circumstances to increase turnover of the company, the management of your company has started to carry Retail Business under the Trade name and style **De-Lemon** through Retail Counters, Shop, Stores, Franchise and in any other modes in indigenous market.

RISK & CONCERNS:

Presently the main business of your Company is Exports business, hence fluctuation in rate of foreign currency, change in duty draw back, DEPB would have a direct affect on the profitability of the Company. In Retail Business there is lot of direct expenditures and legal formalities. But your Directors have assessed the same from time to time hopeful to manage the things and any adverse situation by better management abilities.

INTERNAL CONTROL SYSTEMS:

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

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

For BANARAS BEADS LTD.,

Place : VARANASI
Date : 08. 07. 2010

(Ashok Kumar Gupta)
Chairman & Managing Director

CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY:

The Company's philosophy on Corporate Governance is to maintain high level of transparency and accountability in the functioning of the Company and its relationship with suppliers, buyers, employees, bankers and proper regulatory compliances.

2. BOARD OF DIRECTORS:

The Board of Directors comprises of five Members with two executive and three independent directors. The directors are responsible for Management of the Company's business. The Board's role, function responsibility, accountability and number of other Directorship and Chairmanship / Membership of Committees of each Director in various other Companies are as follows:

NAME OF DIRECTOR	Category	NUMBER OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBER/CHAIRMANSHIP		
		Other Directorship	Committee Membership	Committee Chairmanship
1. Shri Ashok Kumar Gupta	Chairman & Managing Director	3	1	1
2. Shri Ashok Kumar Kapoor	Non-Executive and Independent Director	3	2	1
3. Shri Praveen Singh	Non-Executive and Independent Director	NIL	2	1
4. Shri Tanmay Deva	Non-Executive and Independent Director	1	2	NIL
5. Shri Siddharth Gupta	Whole Time Director	3	NIL	NIL

3. NUMBERS OF BOARD MEETING HELD:

Five Board Meetings were held during the financial year on 30th April' 2009, 28TH July 2009, 29th October, 2009, 2nd December 2009 & 21st January, 2010.

4. ATTENDANCE OF EACH DIRECTORS:

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

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

5. CODE OF CONDUCT :

The Board has adopted a Code of Conduct for its members, senior management and employees. The said code of conduct is available on the Company's web-site. All the Board Members and senior management of the Company as on March 31, 2010 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto.

6. AUDIT COMMITTEE:

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

The meetings of the Audit Committee were held 30th April' 2009, 28TH July 2009, 29th October, 2009 & 21st January, 2010 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2009-2010. All the members of the committee were present at the said meetings.

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

7. REMUNERATION COMMITTEE:

The all decisions regarding the remuneration of executive and non-executive directors are taken by the entire board of directors of the Company. The Board does not have a Remuneration Committee. No remuneration is paid to Non-executive and independent Directors. The Aggregate value of salary and perquisites paid for the year ended on 31st March' 2010 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.1500000/-. However Mr. Siddharth Gupta has been appointed as Whole Time Director by Board on 08.07. 2010 on monthly Salary of Rs.100000 (one Lac) and perquisites, subject to approval of Members.

8. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met ten times during the year 2009-2010 and approved or rejected demat (s) / transfer (physical) of shares request, details given below. The Minutes of the share transfer committee were laid before the Board of Directors of the Company for their ratification and they have ratified from time to time.

Particulars	Physical Transfer			
	Physical Transfer	Transmission	For Demat	For Remat
No. of shares received	1540	0	1540	
No. of shares accepted	1540	0	1540	
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	0	0

b) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 30th April' 2009, 28th July 2009, 29th October, 2009 & 21st January, 2010

c) COMPLIANCE OFFICER

The Board has designated Shri R.K. Singh, Company Secretary as the Compliance officer. Shareholders may forward their query /complaints at- Banaras Beads Limited, Phone No. 0542-2370161-164, Fax No. 0542-2370165 E-mail- bbl.investor@banarasbead.com Or to the Registrar M/s Mas Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com.

d) The status on the total number of complaint received during the financial year 2009-2010, is as follows:-

Complaint regarding non demat/ transfer of shares – 3 complaints. The same have been replied and redressed within 10 days.

Other more than 100 queries received from members in respect of re-listing of share of company with BSE and NSE. The same have been replied timely. No complaint / queries his pending for reply / redressal.

8. 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			
2006-2007	- Do -	27.12.2007	3.00 P.M.	For amendment in Object to commence business of real estates, constructions, hotels, investments in shares, civil contracts etc. as specified under sub-clause 3, 7, 11, 12, 13, 14 and 15 of Clause 3 (C) Memorandum of Associations of the Company.
2007-2008	-Do-	25.09.2008	3.00 P.M.	No special resolution passed
2008-2009	-Do-	27.08.2009	3.00 P.M.	No special resolution passed

Postal ballots : For the year ended on 31st March' 2010 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.

9. OTHER DISCLOSURES:

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

MEANS OF COMMUNICATION:

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

10 (i) SHAREHOLDERS INFORMATION:

- | | | |
|---------------------------------|-------|---|
| 1. Annual General Meeting | Date | : 05.08.2010, |
| | Time | : 3:00 P.M |
| | Venue | : A-1, Industrial Estate, Varanasi |
| 2. Financial Calendar 2009-2010 | | : (F.Y. 01/04/2009 to 31/03/2010) |
| 3. Dates of Books Closure | | : From 22 nd July, 2010 to Thursday, the 5 th August, 2010 (both days inclusive) |
| 4. Dividend payment | | : NIL |
| 5. Listing on Stock Exchanges | | : U.P. Stock Exchange, Kanpur
Bombay Stock Exchange- (Suspended)
National Stock Exchange -(Suspended) |
| 6. Listing Fees | | : Fees paid for BSE, NSE and U.P Stock Exchanges |
| 7. Stock Code with BSE | | : 526849 |
| 8. Demat ISIN Number in NSDL | | : INE655B01011 |
| 9. Registered Office | | : A-1, Industrial Estate, Varanasi |

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

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

10(ii) SHARE TRANSFER SYSTEM:

The share transfer, which is received in physical form are generally registered and returned within a period of 15 to 20 days from the date of receipt, if the documents are valid and complete in all respects. The Share Transfer Committee of the Company meets within stipulated period. The transfer of Shares in Electronic Form has been effected through the Depository Participant w.e.f. 26th March, 2001. The company has offered the transfer-cum-Dematerialisation facility to the shareholders.

10(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2010:

Particular	No. of Shareholder	% of share holders	Number of Share held	% of share holders
001 – 500	6702	96.02	756401	11.40
501 – 1000	158	2.26	105699	1.59
1001 – 2000	46	0.66	66650	1.00
2001 – 3000	22	0.31	55000	0.83
3001 – 4000	15	0.21	50580	0.76
4001 – 5000	6	0.09	27270	0.41
5001 – 10000	13	0.19	90680	1.37
10001 – above	18	0.26	5483942	82.64
	6980	100.00	6636222	100.00

10(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2010:

The category wise share holding of Members of the Company as on 31.03.2010 is as under -

Category	No. of Shares Held	% of the Shares held
1- a) Promoters / Associates / Directors	3840122	57.87
b) Non Promoters and Independent Directors	1400	0.02
2- Other Bodies Corporate / Mutual Fund	229927	3.46
3- Financial Institution / Bank	82790	1.25
3- Trust	1072000	16.15
4- NRI	NIL	NIL
5- Indian Public	1409983	21.25
Total -	6636222	100.00

10(v) DEMATERIALIZATION OF SHARES:

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26th March, 2001 and as on 31st March, 2010 total number of 796616 equity shares representing 12.00 % of the Equity Share Capital have been dematerialized.

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

10(vii) Non-mandatory requirements – Not adopted.

11. CEO / CFO CERTIFICATION –

CEO / CFO Certificate in Compliance to Clause 49 of Listing Agreement is enclosed in respect of the financial year 2009-2010.

For BANARAS BEADS LTD.

Place : VARANASI
Date : 08. 07. 2010

(Ashok Kumar Gupta)
Chairman & Managing Director

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

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2010.

For Banaras Beads Limited

Place: Varanasi
Date : 08.07.2010

(Ashok Kumar Gupta)
Chairman & Managing Director

CEO / CFO CERTIFICATE

To,
The Board of Directors,
Banaras Beads Limited
Varanasi

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

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

For BANARAS BEADS LTD.

Place : VARANASI
Date : 08. 07. 2010

(Ashok Kumar Gupta)
Chairman & Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

To,
The Members
Banaras Beads Ltd.

We have examined the compliance of conditions of Corporate Governance by Banaras Beads Limited, for the 31st March' 2010 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges

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

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

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

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

Place : Varanasi.
Date : 08. 07. 2010

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

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF BANARAS BEADS LIMITED

To
The Members,
Banaras Beads Limited,

1. We have audited the attached Balance Sheet of BANARAS BEADS LIMITED, as at 31st March, 2010, the Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion of these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Reports) Order, 2003 as amended, issued by the Central Government of India in term of section 227 (4A) of the Companies Act, 1956, and on the basis of checks of the books and records of the Company as we considered appropriate and the information and the explanations given to us during the course of audit, a statement on the matters specified in paragraphs 4 and 5 of the said order is annexed.
4. Further to our comments in the Annexure referred to above we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
 - (c) The Balance sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - (ii) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Place: Varanasi.
Date: 08. 07. 2010

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

ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS OF BANARAS BEADS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010

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

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

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

Place: Varanasi.
Date : 08. 07. 2010

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

BANARAS BEADS LIMITED
BALANCE SHEET AS ON 31.3.2010

	SCH	CURRENT YEAR	PREVIOUS YEAR
I.SOURCES OF FUNDS		(Rs.)	(Rs.)
SHARE HOLDER'S FUND			
SHARE CAPITAL	1	66129720	66129720
RESERVES & SURPLUS	2	255291625	222558825
		<u>321421345</u>	<u>288688545</u>
LOAN FUNDS			
SECURED LOANS	3	21315921	0
UNSECURED LOANS		<u>0</u>	<u>0</u>
		<u>21315921</u>	<u>0</u>
TOTAL		<u>342737266</u>	<u>288688545</u>
II.APPLICATION OF FUNDS			
FIXED ASSETS	4		
GROSS BLOCK		89880950	81344205
LESS DEPRECIATION		<u>54167618</u>	<u>49687193</u>
NET BLOCK		35713332	31657012
CAPITAL WORK IN PROGRESS		128434115	92119075
INVESTMENTS	5	8733760	14360739
CURRENT ASSETS, LOANS & ADVANCES	6		
INVENTORIES		95163119	67846815
SUNDRY DEBTORS		21383999	10254337
CASH & BANK BALANCES		55577964	39040353
LOANS & ADVANCES		25777347	17157752
OTHER CURRENT ASSETS		<u>1747622</u>	<u>635649</u>
		199650050	134934906
LESS CURRENT LIAB. & PROVISIONS			
LIABILITIES	7		
CURRENT LIABILITIES		53721563	22161170
PROVISIONS		<u>1360410</u>	<u>205479</u>
		55081973	22366649
NET CURRENT ASSETS		144568077	112568258
MISCELLANEOUS EXPENDITURE	8		
(To the extent not written off)			
DEFERRED TAX ASSETS		25287983	28779972
PROFIT & LOSS ACCOUNT		<u>0</u>	<u>9203488</u>
		<u>25287983</u>	<u>37983460</u>
TOTAL		<u>342737266</u>	<u>288688545</u>
Accounting policies & Notes on Accounts	19		
In terms of our report of even dated attached			
.As per our report of even date			

For Kamal Kishore & Co.

Chartered Accountants

(K.K. Srivastava)

Partner

Place : Varanasi

Date : 08.07.2010

For and on behalf of the Board of Directors

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

(Jai Singh)
Manager (Accounts)

(R.K.Singh)
Company Secretary

BANARAS BEADS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2010

	SCH	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<u>I. INCOME</u>			
TURNOVER	9	332,731,785	235,018,072
OTHER INCOME	10	16,511,056	20,665,608
		349,242,842	255,683,680
<u>II. EXPENDITURE</u>			
RAW MATERIAL AND SEMI FINISHED CONSUMED	11	200,101,034	139,628,116
INCREASE/DECREASE IN FINISHED GOODS	12	-21,893,156	-5,912,297
MANUFACTURING EXPENSES	13	62,002,363	44,382,009
EXPORT & SELLING EXPENSES	14	26,198,374	18,258,323
PERSONNEL EXP.	15	20,464,316	12,378,867
ADMINISTRATIVE EXPENSES	16	6,303,647	7,234,454
COST OF FINANCE	17	1,107,182	590,677
REPAIR & MAINTENANCE	18	3,199,576	2,257,055
DEPRECIATION	4	4,970,818	4,422,160
		302,454,154	223,239,365
NET PROFIT BEFORE TAXATION		46,788,688	32,444,316
PROVISION FOR TAXATION		1,360,410	205,479
PROFIT AFTER TAXATION		45,428,278	32,238,837
EXCESS PROVISION FOR TAXATION		0	40,292
BALANCE OF PROFIT & LOSS B/F		-9,203,488	-38,677,825
ADD : ADJUSTMENT FOR DEFERRED TAX		-3,491,989	-2,804,792
BALANCE OF PROFIT & LOSS ACCOUNT		32,732,800	-9,203,488
APPROPRIATIONS		0	0
BALANCE CARRIED TO BALANCE SHEET		32,732,800	-9,203,488
Accounting policies & Notes on Accounts	19		
In terms of our report of even dated attached			
.As per our report of even date			
For Kamal Kishore & Co.			
Chartered Accountants			
(K.K. Srivastava)			
Partner			
Place : Varanasi.			
Date : 08.07.2010			
		For and on behalf of the Board of Directors	
		(Ashok Kumar Gupta)	(Ashok Kumar Kapoor)
		Chairman & Managing Director	Director
		(Jai Singh)	(R.K.Singh)
		Manager (Accounts)	Company Secretary

BANARAS BEADS LIMITED

Cash Flow Statement For the Year Ended 31st March, 2010

	Rs. in Lacs		Rs. in Lacs	
	Current Year		Previous Year	
<u>(A) Cash Flow from Operating Activities</u>				
Net Profit Before Tax and Extraordinary Items		467.89		324.44
Adjustment For :-				
Depreciation	49.71		44.22	
Profit/(Loss) on Sale of Fixed Assets	0.06		(2.71)	
Profit/(Loss) on Sale of Investment	0.00		3.53	
Interest/Dividend/Lease Rent	(33.96)		(39.95)	
W/o, W/back(sundry balance)	(1.00)		1.91	
Other Non Cash Exp.	0.00	14.81	0.00	7.00
		482.70		331.44
Adjustment For :-				
Trade & Other receivables	(188.07)		76.31	
Inventories	(273.16)		(23.37)	
Trade Payable	315.61	-145.62	63.79	116.73
Cash Generated From Operations		337.08		448.17
Interest Paid	0.00		0.00	
Direct Taxes Paid/Refund Received	21.61	21.61	19.68	19.68
		21.61		19.68
Cash Flow Before Extraordinary Items		315.47		428.49
Net Cash From Operating Activities (A)		315.47		428.49
<u>(B) Cash Flow From Investing Activities :</u>				
Purchase of Fixed Assets	(454.98)		(447.44)	
Sale of Fixed Assets	1.50		5.08	
Purchase of Investments	(366.30)		(747.15)	
Sale of Investments	422.57		657.69	
Lease of Investments	0.00		0.00	
Lease or Hire Charges	0.00		0.00	
Interest Received	32.78		37.23	
Dividend Received	1.18		2.72	
Net Cash used in investing activities (B)	(363.25)	(363.25)	(56.91)	(491.87)
<u>(C) Cash Flow From Financing Activities :</u>				
Proceeds from issue of Shares Reduction in capital	0.00		0.00	
Increase in Short Term Borrowings	213.16		0.00	
Dividend Paid	0.00		0.00	
Net Cash used in financing activities	213.16	213.16	0.00	
TOTAL (A+B+C)		165.38		(63.38)
Net Increase/Decrease in Cash & cash Equivalents		165.38		-63.38
Cash & cash Equivalents As at 01.04.2009		390.40		453.78
Cash & cash Equivalents As at 31.03.2010		555.78		390.40
As per our report of even date				

(Ashok Kumar Gupta)
Chairman & Managing Director

(Ashok Kumar Kapoor)
Director

(R.K. Singh)
Company Secretary

For Kamal Kishore & Co.
Chartered Accountants

(Jai Singh)
Manager (Accounts)

Date : 08/07/2010
Place : Varanasi

(K.K. Srivastava)
Partner

BANARAS BEADS LIMITED

SCHEDULES TO ACCOUNTS IN RESPECT OF YEAR ENDED 31.3.2010

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	(Rs.)	(Rs.)
<u>SCHEDULE:1</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL</u>		
Authorised		
1,20,00,000 Equity Share of Rs. 10/- Each	<u>120000000</u>	<u>120000000</u>
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
6636222 Equity Shares(Previous Year 6636222)	66362220	66362220
Of Rs. 10/- Each		
Less :Calls in Arrears	<u>232500</u>	<u>232500</u>
	<u>66129720</u>	<u>66129720</u>
<u>SCHEDULE:2</u>		
<u>RESERVE AND SURPLUS</u>		
Share Premium Account	224765500	224765500
Less : Calls in Arrears	<u>2206675</u>	<u>2206675</u>
	<u>222558825</u>	<u>222558825</u>
<u>PROFIT & LOSS ACCOUNT</u>		
Balance as per Last Account	-9203488	0
Net Profit After Tax	45428278	0
Less: Differed Tax Adjustment	<u>3491989</u>	<u>0</u>
	<u>32732800</u>	<u>0</u>
Total	<u>255291625</u>	<u>22558825</u>
<u>SCHEDULE:3</u>		
<u>LOAN FUND</u>		
<u>SECURED LOANS</u>		
<u>Bank of Baroda Packing Credit A/c</u>	18194722	0
(Secured against hypothecation of Stock, Book Debts & Plant and Machineries)		
<u>Bank of Baroda O/D A/C</u>	3121199	0
(Secured against Fixed Deposits of the Bank)		
<u>UNSECURED LOANS</u>	0	0
From Share holder	<u></u>	<u></u>
Total	<u>21315921</u>	<u>0</u>

BANARAS BEADS LIMITED

SCHEDULE 4- OF FIXED ASSETS AS ON 31.3.2010

NAME OF ASSETS	RATE	GROSS BLOCK				UPTO 31.3.09 During t	
		OP. BALANCE AS ON 1.4.09	ADDITION	DEDUCTION	TOTAL		
LAND	0.00%	3471276	0	0	3471276	0	
FACTORY BUILDINGS	10.00%	33809603	933945	0	34743548	21114469	
FURNITURE & FIXTURE	18.10%	7515929	1376853	0	8892782	3717570	
PLANT & MACHINERY	13.91%	18990553	3071320	0	22061873	11426262	
ELECTRICAL EQUIPMENT	13.91%	4819008	71190	0	4890198	3417619	
OFFICE EQUIPMENT	13.91%	756776	0	0	756776	690608	
VEHICLES	25.89%	6762509	2191839	646160	8308188	4566903	
COMPUTER	40.00%	3502404	1537757	0	5040161	3083534	
FURNACES	100.00%	1708349	0	0	1708349	1668309	
MOBILE PHONE	13.91%	7800	0	0	7800	1920	
TOTAL		81344205	9182904	646160	89880950	49687193	
CAPITAL W.I.P.		92119075	37248985	933945	128434115	0	
GRAND TOTAL		173463280	46431889	1580105	218315065	49687193	

BANARAS BEADS LIMITED

SCHEDULE TO ACCOUNTS IN RESPECT OF YEAR ENDED 31ST MARCH 2010

SCHEDULE 05

INVESTMENT (AT COST)	NOS. OF	FACE	CURRENT	PREVIOUS
NAME OF COMPANY	SHARES	VALUE	YEAR	YEAR
			(Rs.)	(Rs.)
I. (QUOTED)				
Equity Shares				
Gee El Woollen Limited	1000	10	10000	10000
Pertech Computer Limited	600	10	36000	36000
Elbee Services Limited	100	10	14000	14000
Kabson Industries Limited	1300	10	13000	13000
Bholanath International Ltd	300	10	6020	6020
Ideal Carpets Limited	300	10	2252	2252
M.P. Telelinks Limited	500	10	5000	5000
Rungta Irrigation Limited	600	10	36797	36797
GKB Ophthalmic Limited	1000	10	35000	35000
II. UNQUOTED				
Equity Shares				
Banaras Glass Beads Ltd	112500	10	1125000	1125000
Banaras Beads Leas. & Fin. (P) Ltd	12010	100	1201000	1201000
India Exposition Mart Ltd	9343	10	93430	93430
III. MUTUAL FUND				
Templeton India Treasury Management A/c (Opening Value Rs. 90819 Invest. Rs. 31500000 Less Realized Rs. 31530157 dividend Recd and reinvested Rs. 51867)			112529	90819
Franklin Templeton Capital Safety Fund - 5 years plan (Unit)	100000	10	1000000	1000000
Kotak Floater long term (Opening Value Nil Invest Rs. 50 lac Dividend Recd Rs. 18364.30)			5018364	0
Prudential ICICI Liquid Plan (Daily Dividend) (Opening Value Rs. 10692421 Invest. Rs. Nil Less Realized Rs. 10727323 Dividend Recd and reinvested Rs. 34902)			0	10692421
Religare Ultra Short Term Fund (Opening Nil invest Rs. 25000 Dividend Recd and reinvested Rs. 368)			25368	0
TOTAL			8733760	14360739
Aggregate Cost of Quoted Investment (Rs.158069, Previous Year 158068)) (Market value Rs.160802, Previous Year 125008)				

SCHEDULE:6

CURRENT ASSETS, LOANS & ADVANCES

INVENTORIES

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

Raw Material	22704690	18462226
Finished Goods	57320567	44860613
Export Merchandise in Transit	10153828	720626
Packing Material	2509802	1652302
Stores & Spares	2474232	2151048
Total	95163119	67846815

BANARAS BEADS LIMITED	CURRENT YEAR	PREVIOUS YEAR
<u>SUNDRY DEBTORS</u>	(Rs.)	(Rs.)
(Unsecured Considered Good by the Management)		
Debts Outstanding Above Six Months	1663200	955136
Other Debtors	19720799	9299201
Total	21383999	10254337
<u>CASH & BANK BALANCES</u>		
Cash in Hand (As certified by the management)	237528	254642
Postage Imprest	8974	11862
<u>WITH SCHEDULED BANKS</u>		
In Current Accounts	16774979	1837928
In Fixed Deposit Account	38556483	36935921
Total	55577964	39040353
<u>LOANS AND ADVANCES</u>		
(Unsecured ,recoverable in Cash or in Kind or value to be received)		
Considered Good :		
Advance to Suppliers & Others	9253675	4027764
Advance Payment for Taxes	12038727	10987859
Export Incentive Receivables	1444945	832129
Others Loans	3040000	1310000
Total	25777347	17157752
<u>OTHER CURRENT ASSETS</u>		
Shares Application Money	875000	0
Security And Other Deposit	224677	421123
Prepaid Expenses	647945	214526
Total	1747622	635649
<u>SCHEDULE:7</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	25265583	6435696
Customer Deposits	25129061	13280538
Credit Balance with Banks	93974	0
Other Liabilities	3232945	2444936
Total	53721563	22161170
<u>PROVISIONS</u>		
Provision for Fringe Benefit Tax & Income Tax	1360410	205479
Total	1360410	205479

BANARAS BEADS LIMITED	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE:8</u>	(Rs.)	(Rs.)
<u>MISCELLANEOUS EXPENDITURE</u>		
PROFIT & LOSS ACCOUNT		
Balance as per Last Account	0	38677825
Profit/Loss of the year as Profit & Loss A/c	0	-32238837
Excess Provision of Taxation Written Back	0	-40,292
Less: Deferred Tax Adjustments	0	2804792
Balance	0	9203488
Deferred Tax Assets	25287983	28779972
Total	25287983	28779972
 <u>SCHEDULE:9</u>		
<u>TURNOVER</u>		
Export Sales	302927000	211750067
Domestic Sales	29804785	23268006
Total	332731785	235018072
 <u>SCHEDULE:10</u>		
<u>OTHER INCOME</u>		
Export Incentive & Other Benefits	9446595	10422268
Exchange Rate Difference	3170447	5956793
Dividend	118930	272462
Profit on Sale of Fixed Assets	0	271271
Rent	50000	0
Profit on Sale of Investments	100011	0
Interest Income (Tax deducted Rs.521383,previous year Rs. 799169)	3276862	3722940
Profit on Forward Contract	203079	0
Misc.Other Income	145132	19875
Total	16511056	20665608
 <u>SCHEDULE:11</u>		
<u>COST OF RAW MATERIAL AND SEMI FINISHED CONSUMED</u>		
 <u>OPENING STOCK</u>		
Raw Material	18462226	16003351
Packing Material	1652302	7895030
Total	20114529	23898381
 <u>PURCHASES</u>		
Raw Material	31551233	33143046
Semi Finished Goods	152589873	82049923
Packing Material	17958667	16936634
Freight	3101224	3714661
Sub Total	205200998	135844264
	225315526	159742645

BANARAS BEADS LIMITED	CURRENT YEAR	PREVIOUS YEAR
	(Rs.)	(Rs.)
<u>CLOSING STOCK</u>		
Raw Material	22704690	18462226
Packing Materials	2509802	1652302
Total	25214492	20114529
Cost of Material Consumed	200101034	139628116
<u>SCHEDULE:12</u>		
<u>INCREASE/DECREASE IN FINISHED GOODS</u>		
<u>OPENING STOCK</u>		
Finished Goods	44860613	36787215
Export Merchandise in Transit	720626	2881727
	45581239	39668942
<u>CLOSING STOCK</u>		
Finished Goods	57320567	44860613
Export Merchandise in Transit	10153828	720626
	67474395	45581239
	-21893156	-5912297
<u>SCHEDULE:13</u>		
<u>MANUFACTURING EXPENSES</u>		
Conversion & Finishing Charges	55643018	38356013
Consumption of Stores	6359345	6025996
Total	62002363	44382009
<u>SCHEDULE:14</u>		
<u>EXPORT & SELLING EXPENSES</u>		
Foreign Traveling Expenses	6088699	1949332
Export Freight & Shipping Expenses	13917855	10305105
Overseas Trade Fair Exp	2428580	3049950
Local Traveling Expenses	1477523	966104
Other Selling Expenses	2285716	1987832
Total	26198374	18258323
<u>SCHEDULE:15</u>		
<u>PERSONNEL EXPENSES</u>		
Salaries , wages , bonus etc.	17955424	10241855
Provident Fund, Gratuity and Other Benefits	2317372	1956563
Food & Beverage to Staff	181704	177543
Staff Welfare Expenses/First Aid exp.	9816	2906
Total	20464316	12378867

BANARAS BEADS LIMITED	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE:16</u>	(Rs.)	(Rs.)
<u>ADMINISTRATIVE EXPENSES</u>		
Rent	0	1055507
Water & Electricity	1336720	1151736
Insurance General	413310	279264
Rates & Taxes	13138	6050
License & Fees	313478	235322
Membership & Subscription	53568	106409
Communication Charges	714152	828328
Conveyance Charges	77843	51922
Printing & Stationery	664433	686221
Professional & Legal Expenses	1144523	1122599
Loss on sale of investment	0	352756
Loss on sale of fixed assets	5767	0
Sundry Bal. W\Off	0	191174
Director Sitting Fees	39000	39000
Others	1414658	988135
<u>PAYMENT TO AUDITOR</u>		
As Auditor	82725	82725
For Taxation Matter	13788	17374
For Certification Work	16545	29672
Reimbursement of Expenses	0	10261
Total	6303647	7234454
<u>SCHEDULE:17</u>		
<u>COST OF FINANCE</u>		
Interest paid to bank	280359	0
Other Bank Charges	826823	590677
Total	1107182	590677
<u>SCHEDULE:18</u>		
<u>REPAIR & MAINTENANCE</u>		
Building	988817	300378
Machinery	892316	735204
Vehicle & Others	1318442	1221473
Total	3199576	2257055

SCHEDULE - 19: NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH' 2010 AND BALANCE SHEET AS ON THAT DATE :

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

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

2. FIXED ASSETS:-

Fixed Assets are stated at cost of acquisition less depreciation.

3. DEPRECIATION:-

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

4. INVESTMENTS:

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

5. INVENTORIES:

Basis of valuation

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

6. FOREIGN CURRENCY TRANSACTIONS :

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

7. RETIREMENT BENEFITS:

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

8. CONTINGENT LIABILITIES :

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

9. SALES:

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

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

B: NOTES ON ACCOUNTS:

1. Contingent Liabilities not provided for:

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

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

3. Related Party Disclosures:

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

4. Details of Transactions:

Sl. No.	NAME	Nature of Transaction	Value of Transaction entered during the year	Amount of Outstanding Items as on Balance Sheet
			(Rs.)	(Rs.)
1	Banaras Beads Exports Ltd	Sales	53,86,820	0
		Advance for Purchase/Sale	509,73,203	0
2	Ashok Kumar Gupta	Remuneration including P.F.	1500000	----
3	Banaras Glass Beads Ltd	Purchase	78,42,663	4409109(CR)
		Sales	12158655	
		Bead Polishing Charges	108543	
4	BBL Beads Limited	Share application	875000	875000(Dr)
5	Mangalam Hospitality India Ltd.		0	0

5. SEGMENT:

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

6. Deferred Taxation

- i) **In conformity with Accounting Standard-22" issued by The Institute of Chartered Accountants of India as "Accounting for Taxes on Income", the Company has provided for deferred tax during the year as under:**
- | | | |
|--|-----------|-----------|
| | (Rs.) | |
| | 2009-2010 | 2008-2009 |
| Deferred Tax Assets/liability on account of Depreciation | -307268 | 272618 |
| Deferred Tax Assets on account of Unabsorbed Loss and Depreciation | 24980715 | 28507354 |
| Net Deferred Tax Assets | 25287983 | 28779972 |
- ii) No provision for deferred tax asset has been made in respect of un-assessed accumulated unabsorbed loss and depreciation in view of uncertainty of their allowance by the Tax Authority due to delayed submission of Accounts.

7. Earning per share:

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

		2009-2010	2008-2009
Net Profit attributable to shareholders (Rs.)	:	45428278	32238837
Weighted average numbers of equity shares	:	6636222	6636222
Basic earning per share of Rs. 10/- each (Rs.)	:	6.85	4.86

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

9. Remuneration to Directors:

	Current Year (Rs.)	Previous Year (Rs.)
Chairman & Managing Director		
Salaries	15,00,000	6,00,000
Contribution to Provident Fund	--	54,000

10. The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Accounting Standards-2 pertaining to valuation of inventories issued by the Institute of Chartered Accountants of India.
11. There is an adequate internal control procedure and internal audit system commensurate with the size of the company and the nature of its business. The Directors have been making consistent efforts to improve such procedures and systems keeping in view the needs of business and experience gained.
12. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
13. In the opinion of the Directors, Currents Assets, and Loans and Advances are approximately of the value, which, if realised, in the ordinary course of business, will not be less than the figure stated in the books of accounts.
14. The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities.
15. The Calls in arrears of Share Capital amounting to Rs.232500 and of Share Premium amounting to Rs. 2206675/- are outstanding since long. None of these amounts relate to the directors or their relatives. The Management has decided not to forfeit such shares for the time being.
16. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.

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

A) Sales

		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
HANDICRAFTS ITEMS					
a) Glass Beads, Neckless & Glass Items	Kg.	661893.95		500314.05	
	Pcs	119721	1740.60	64430	1561.51
b) Carpets/Drugget & Allied Products					
	Pc.	353	40.82	660	26.93
c) Other Handicraft items	Mtr.	1197834		2155391.00	
	Kg.	11966.751		11959.69	
	Pcs	15994709		8212745	
	ST	205277.00		378743	
	Gram	14048		9226	
			1545.90		761.74
			<u>3327.32</u>		<u>2350.18</u>

b.) RAW MATERIALS CONSUMED

		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
Glass & Raw Beads	Kg	459472.14	1141.01	399619.865	833.32
Woollen Yarn	Kg	0	87.25	1584	66.74
Misc Raw Materials			772.75		496.22
Total			<u>2001.01</u>		<u>1396.28</u>

OPENING & CLOSING STOCK
CLOSING STOCK

		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
HANDICRAFTS ITEMS					
a) Glass Beads, Neckless & Glass Items	Kg.	120171.97		127054.699	255.92
	Dz.	0		0	0.00
	Pcs	401625	427.76	216373.00	38.58
b) Carpets/Drugget & Allied Products					
	Pc.	2985	28.08	3271.00	66.38

		<u>CURRENT YEAR</u>		<u>PREVIOUS YEAR</u>	
		<u>QTY.</u> <u>lacs</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In</u>
c) Other Handicraft items	Dz.	32.02	0.00	34.02	0.00
	Mtr.	181278	1.75	285109.50	6.70
	Kg.	2343.396	8.98	4093.64	15.49
	Pcs	30383175	88.55	1791781.00	55.57
	Pkt.	8	0.00	0	0.00
	SP			0.00	0.00
	ST	82165	15.52	85997.00	6.81
	Gram	6377110	2.52	8597.37	2.56
	Yard	600	0.04	1100	0.07
	Others	0	0	2149.00	0.53
Raw Materials			227.05		184.62
Packing Materials			25.10		16.52
Export Merchandise in Transit			101.54		7.21
Store & Consumable			24.74		21.51
			951.63		678.47
OPENING STOCK					
		<u>QTY.</u>	<u>Rs. In lacs</u>	<u>QTY.</u>	<u>Rs. In lacs</u>
HANDICRAFTS ITEMS					
a) Glass Beads, Neckless & Glass Items					
	Kg.	127054.699	255.92	85371.10	221.25
	Dz.	0	0.00	0	0.00
	Pcs	216373.00	38.58	146313.00	9.96
b) Carpets/Drugget & Allied Products					
	Pc.	3271.00	66.38	3211.00	79.03
c) Other Handicraft items					
	Mtr.	285109.50	6.70	70762.00	1.58
	Kg.	4093.64	15.49	2347.00	10.80
	Pcs	1791781.00	55.57	3768802.00	41.68
	SP	0.00	0.00	170.00	0.66
	ST	85997.00	6.81	8867.00	1.13
	Gram	8597.37	2.56	9656.87	1.72
	Yard	1100.00	0.07	1100.00	0.07
	Others	2149.00	0.53	0.00	0.00
Raw Materials			184.62		160.03
Chemical & others			16.52		78.95
Packing Materials			7.21		28.82
Export Merchandise in Transit			21.51		19.41
			678.47		655.09

c) CAPACITY

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

d) PRODUCTION

ITEM	UNIT	CURRENT YEAR QTY.	PREVIOUS YEAR QTY.
Glass Beads & Necklace	Kg.	105043	108704.325
	Dz.	15204	4740.06
<u>e) COMPOSITION OF RAW MATERIAL CONSUMED</u>			
		<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
		<u>%</u>	<u>%</u>
		<u>VALUE</u> Rs. In Lacs	<u>VALUE</u> Rs. In Lacs
Indigenous		90.62%	83.08%
Imported		9.38%	16.92%
		100.00	100.00
		2001.01	1396.28

f.) EXPENDITURE IN FOREIGN CURRENCY

Raw Materials	256.47	272.25
Export Promotional Tour & Other	85.17	50.43

g.) EARNING IN FOREIGN EXCHANGE

Export of Goods (FOB basis)	2889.90	2016.91
Export Freight & Insurance	139.37	100.60

For Kamal Kishore & Co.

Chartered Accountants

(K.K. Srivastava)
Partner

(Ashok Kumar Gupta)

Chairman & Managing Director

(Ashok Kumar Kapoor)

Director

(R.K Singh)
Company Secretary

(Jai Singh)

Manager (Accounts)

Date : 08/07/2010

Place : Varanasi

Abstract of the Balance Sheet as at 31.03.2010 and Company's General Business Profile as per Part IV of Schedule VI (Amended) to the Companies Act, 1956.

I.	Registration details	Registration No. 4984	State Code : 20	Rs. In (1000)	
				Balance Sheet Date	
				31.03.2010	31.03.2009
II.	Capital raised during the year				
	Public Issue			NIL	NIL
	Bonus Issue			NIL	NIL
	Rights Issue			NIL	NIL
	Private Placement			NIL	NIL
III.	Position of Mobilisation and Development of Funds				
	Total Liabilities			342737	288689
	Total Assets			342737	288689
	Source of Funds				
	Paid up Capital			66130	66130
	Reserves & Surplus			255291	222559
	Secured Loans			21316	0
	Unsecured Loans			NIL	NIL
	Share Application Money (Pending Allotment)			NIL	NIL
	Application of Funds				
	Net Fixed Assets			164147	123776
	Investments			8734	14360
	Net Current Assets			144568	112568
	Misc. Expenditure			25288	28780
	Accumulated Losses			0	9203
IV.	Performance of Company				
	Turnover (Including other Income)			349242	255684
	Total Expenditure			302454	223239
	Profit (Loss) Before Tax			46789	32444
	Profit (Loss) After Tax			45428	32239
	Earning per share (Rupees)			6.85	4.86
	Dividend Rate %			NIL	NIL
V.	Generic Names of Principal Products / Services of Company (as per monetary terms)				

Item Code No. (ITC Code)	Product Description
701810.00	GLASS BEADS
570110.00	WOLLEN CARPETS
999190.00	HANDICRAFTS
711311.00/711319.00	GOLD AND SILVER ORNAMENTS
For Kamal Kishore & Co.	
Chartered Accountants	(Ashok Kumar Gupta)
(K.K. Srivastava)	Chairman & Managing Director
Partner	(Ashok Kumar Kapoor)
	Director
	(R.K Singh)
	Company Secretary
	(Jai Singh)
	Manager (Accounts)

Date : 08/07/2010

Place : Varanasi

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

ATTENDANCE SLIP

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

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

.....

No. of shares held :..... Folio No.:.....*DP ID No..... *Client ID No.....

*applicable for Member holding shares in electronic form.

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company held on Thursday 5th August ' 2010 at 3:00 P.M. at A-1, Industrial Estate, Varanasi-221106

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

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

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

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

PROXY FORM

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

I/We.....of
.....in the district
of.....hereby appoint.of
.....or failing him / her
.....of in the
district ofas my/our proxy to
attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on
Thursday 5th August ' 2010 at 3:00 P.M. at A-1 Industrial Estate Varanasi and at any adjournment thereof.

Signed this.....day of.....2010.

Signature -----

Affix One
Rupee
Revenue

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