



32nd

ANNUAL REPORT

2011-12



BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED
BY GOVERNMENT OF INDIA

PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION



Late Kanhaiya Lal Gupta Ji
(1925-1992)

From Chairman



Ashok Kumar Gupta
CMD

Dear Shareholders,

I am happy to report the Annual results for the F.Y. 2011-2012. It is a matter of immense pleasure that company has again commenced payment of dividend and trading of share has again started by both stock exchanges BSE and NSE after a lapse of 8 years. The present market price of per share is between Rs. 30/- to Rs. 35/- against book value around Rs. 57/-.

During this financial year, board has paid interim dividend of Rs. 2.50 per Share and additionally recommended final dividend of Rs. 1.50 per Share. This makes total dividend of Rs. 4.00 per Share during the financial year.

The management and shareholders have suffered since 1998 due to decade old disputes between two group of shareholder and management of the Company. The dispute had adversely affected the business and growth of the Company. The company is on the path of progress and hope to compensate the losses in coming years.

Due to heavy competition from China because of their low cost price, initially the sale has been affected but we are proud to announce that we are fighting Chinese competition with the help of our integrated modern design, artwork & inherited experience of past 4 decades. Despite the competition, we are able to almost maintain the profit during this financial year with govt. stimulated packages of Focus market. In spite of comparative low export, the company has developed more than 50 new relationships with the foreign buyers around the globe & this has been made possible due to our aggressive marketing efforts.

We had initiated retail business in indigenous market under the Trade name "de-Lemon" through Retail Counters, stores and new online system, this will help us to increase our presence & sales across India.

Presently the US & European economy has gone adverse and due to which the export market is affected. To overcome this situation we are focusing on other areas like South America, Africa & CIS countries.

We have recently upgraded our manufacturing plant by introducing imported machines and technology. For setting up these machines, new factory is under construction and RS. 4.00 Cr has already incurred. On the completion of the building 75 thousand Sq. ft space will be added to the existing plant. It will help us in increasing our production and Quality levels resulting in facing competition with China comfortably.

The Future of the Company is bright and hopes that you will get good returns in coming years from Company barring unforeseen circumstances and any other adverse trade conditions.

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 : Executive Director
Ashok Kumar Kapoor : Independent and Non-executive Director
Praveen Singh : Independent and Non-executive Director
Tanmay Deva : Independent and Non-executive Director

Company Secretary

R.K. Singh

REGISTERED OFFICE

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

E-MAIL & WEBSITE FOR INVESTOR

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

Kamal Kishore & Co.
Chartered Accountants,
Firm No. 007424C
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

CONTENTS:	PAGE NO.
NOTICE	02
DIRECTOR'S REPORT ...	04
MANAGEMENT DISCUSSION ANALYSIS....	06
CORPORATE GOVERNANCE	07
CEO / CFO CERTIFICATE	11
AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE. ...	12
AUDITORS' REPORT	13
BALANCE SHEET	16
PROFIT & LOSS A/C.	17
CASH FLOW STATEMENT	18
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	19
PROXY FORM	



NOTICE

NOTICE is hereby given that 32nd 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 19th July, 2012 at 3.00 P.M. to transact the following **Ordinary Business**:

Item No. 1 - Adoption of accounts

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

Item No. 2 – Confirmation of interim dividend and Declaration of final dividend

To confirm the payment of Interim Dividend on Equity Shares for the year 2011-2012 and to declare Final Dividend for the year 2011-2012 on Equity Shares.

Item No. 3 – Re-appointment of Director

To appoint a director in place of Mr. Tanmay Deva, who retires by rotation and being eligible, offers him self for re-appointment.

Item No. 4 – Appointment of Statutory Auditors

To appoint the Auditors to hold office from the conclusion of this Annual General meeting, until the conclusion of the next annual General Meeting and to fix their remuneration.

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

Place : VARANASI
Date : 30.05.2012

(R.K.SINGH)
Company Secretary

NOTES:

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

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

- The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 2nd July, 2012 to Thursday 19th July, 2012 (both days inclusive).
- Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
- If the Final Dividend as recommended by the Board of Directors is approved at the Annual General Meeting payment of such dividend will be made on August 10, 2012 as under-
 - To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on July 1, 2012.
 - To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 1, 2012
- 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.
- The INE number of the company is 655B01011. The members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. They may dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

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

- Members are requested to make all query /correspondence directly with above Registrar of the company for transfer, transmission of shares, duplicate issue of share certificates, record in change of address and or other purposes.**
- Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, M/s Mas Services Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such



9. The members holding shares in physical form are requested to send their phone, fax, E-mail and Bank account detail in enclosed format to the above RTA of the company or at Registered office of the company / **E-mail- investor@bblinvestor.com OR rksingh@banarasbead.com.**
10. Members wishing to claim Interim dividends for F.Y. 2011-2012, which remain unclaimed, are requested to correspond with Company Secretary of the Company, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid's Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
11. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update their e-mail addresses, in respect of shares held in dematerialised form **with their respective Depository Participants** and in respect of shares held in physical form **with above RTA directly.**
12. Detail of Director Shri Tanmay Deva, who retires by rotation and seeking re-appointment (In pursuance of Clause 49 of listing agreement)

Name	:	Shri Tanmay Deva
Fathers name	:	Late Diptiman Deva
Date of Birth	:	21.07.1971
Nationality	:	Indian
Qualifications	:	Graduate from Delhi University.
Date of appointment on the board	:	01.10. 2000
List of directorship held in other Company(s)	:	M/s Nandi Exports (P) Limited
Chairmanship/membership of Committees in Public Companies	:	i) Member Investor Grievance Committee of Banaras Beads Ltd. ii) Member Shareholders/Audit Committee of Banaras Beads Ltd.

EXPERIENCE:

Mr. Deva is having experience in Carpet, Handicrafts and other related items business, more than 22 years

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

Place : VARANASI
Date : 30. 05. 2012

(R.K.SINGH)
Company Secretary



DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the 32nd Annual Reports together with the Audited Accounts of the Company for the year ended on 31st March' 2012.

FINANCIAL RESULTS:

	2011-2012	2010-2011
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	3386.20	3863.28
Net Profit Before Taxation	596.74	555.46
Net Profit after taxation	473.41	495.15
Balance of Profit & Loss Account B/F	636.55	327.33
<u>APPROPRIATIONS:</u>		
Transfer to General Reserve	47.50	-
Interim Dividend Paid @ 2.5 per Share	165.91	-
Final Dividend Proposed @ 1.5 per Share	99.54	-
Tax on Dividend	43.06	-
Balance of Profit & Loss Account C/F	753.95	636.55

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 31.03.2012, 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 declined by 14.23% as the export industry is also facing consequential effect of global slowdown.

DIVIDENDS :

Based on the Company's performance during the year 2011-2012, the Board of Directors decided to make payment of interim dividend and to recommend final dividend.

In September, 2011, the company has paid an interim dividend of Rs. 2.50/- per share.

The Board of Directors have recommended a final dividend of Rs. 1.50/- per share.

The final dividend on the Equity Shares, if approved by the member would involve a cash outflow of Rs. 115.69 Lakhs including dividend tax. The total cash outflow on account of dividend including dividend tax for the year 2011-2012 including interim dividends Rs. 16590555/- already paid, would aggregate Rs. 30851132/- resulting in a payout of 65.17 % of the net profit of the Company.

TRANSFER TO RESERVES

The Board of the directors have proposed to transfer Rs. 47.50 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 117.40 lakhs is proposed to be retained in the Profit and Loss Account.

SETTLEMENT OF MANAGEMENT DISPUTES:

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

DIRECTORS:

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

RE-APPOINTMENT OF AUDITORS:

M/s Kamal Kishore & Co., Chartered Accountants, the Auditors of the Company, who hold office upto the conclusion of the Annual General Meeting, are eligible for re-appointment and have expressed their willingness to accept the office if 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.



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. 2011-2012.

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

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

a) **Conservation of Energy :**

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

b) **Technological Absorption:**

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

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

The foreign exchange earnings of the Company during the financial year has been Rs 2912.46 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 211.28 lakhs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

Corporate Governance Report and Management Discussion and Analysis statement and a certificate from the Auditors confirming compliance are attached to this report.

FIXED DEPOSITS :

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

FINANCE

The Company had availed loans of Rs. 636.99 from Bank during the F.Y. ended on 31.03.2012.

REVOCAION OF SUSPENSION AND TRADING OF SHARES :

The Bombay Stock Exchange has revoked suspension w.e.f. 19.08.2011 under "T" group and NSE has revoked suspension w.e.f. 15.12.2011 the shares are presently being traded with both stock exchanges.

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 : 30. 05. 2012

(Ashok Kumar Gupta)
Chairman & Managing Director



MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

OPPORTUNITIES & THREATS:

The company is an Export House recognized by Government of India, Ministry of Commerce & Industries and main business of handicrafts like Glass Beads, Necklaces, imitation Jewellery in indigenous and Export market. The Company has built its credibility and reputation in international market by providing better quality's Glass beads and fashion jewelry on competitive price and within committed period.

In indigenous market company is doing business under the Trade name and style De-Lemon unit of Banaras Beads Ltd. through Retail Counters, Shop, Stores, Franchise and others under arrangement / agreement with various parties. But excepted results not received from indigenous market. The company forced to close various counters/stores due to on going losses.

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 un-remunerative prices. The fluctuation in rate of foreign currency will also affect our business and profit.

The management has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reducing and widen its marketing net work.

SEGMENT:

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

FINANCIAL / OPERATIONAL PERFORMANCE:

	2011-2012	2010-2011
	(Rs. in lacs)	(Rs. in lacs)
Revenue from Operations	3386.20	3863.28
Net Profit Before Taxation	596.74	555.46
Net Profit after taxation	473.41	495.15
Balance of Profit & Loss Account B/F	636.55	327.33
<u>APPROPRIATIONS:</u>		
Transfer to General Reserve	47.50	-
Interim Dividend Paid @ 2.5 per Share	165.91	-
Final Dividend Proposed @ 1.5 per Share	99.54	-
Tax on Dividend	43.06	-
Balance of Profit & Loss Account C/F	753.95	636.55

OUTLOOK :

The prospects of your Company is bright and in years to come the demand of products of your company i.e. Glass Beads and fashionable jewelry will increase in international and indigenous market.

RISK & CONCERNS:

The main business of your Company is Export business, thus uncertainties in Global economy / international market is major risk for your company. Due to continued slow down in USA and renewed threat of recession in Europe are also cause for concern.

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

INTERNAL CONTROL SYSTEMS:

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 : 30.05.2012

(Ashok Kumar Gupta)
Chairman & Managing Director



CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

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

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

3. NUMBERS OF BOARD MEETING HELD:

Six Board Meetings were held during the F.Y. on 28th April' 2011, 1st July,2011, 21st July, 2011, 8th September, 2011, 25th October ,2011 & 19th January, 2012.

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	6	Yes
3. Shri Praveen Singh	6	Yes
4. Shri Tanmay Deva	3	Yes
5. Siddharth Gupta	6	Yes

5. CODE OF CONDUCT :

The Board has adopted a Code of Conduct for its members, senior management and employees. The said code of conduct is available on the Company's web-site. All the Board Members and senior management of the Company as on March 31, 2012 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto.

6. AUDIT COMMITTEE:

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

The meetings of the Audit Committee were held 28th April' 2011, 1st July 2011, 21st July, 2011, 25th October, 2011 & 19th January, 2012 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2011-2012. 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' 2012 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.1680000/-and to Mr. Siddharth Gupta, Whole Time Director (Executive Director) is Rs.1344000/-.

8. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met ten times during the year 2011-2012 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.



	Physical Transfer	Transmission	Demat	Remat
No. of shares received	51360	1070	4031397	1000
No. of shares accepted	51360	1070	4031187	1000
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	210	

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 28th April' 2011, 21st July, 2011, 25th October, 2011 & 19th January, 2012.

c) COMPLIANCE OFFICER :

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

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

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

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

d) The status of total number of complaint received during the financial year 2011-2012, is as follows:-

The Company has made policy to resolve / redress the complaint within 10 days by them self or through RTA. During the year company has received 23 complaint regarding non-receipt of dividend, demat/ transfer of shares and all complaints have been resolved timely. However after revocation of suspension of trading various queries / phone calls, letters and e-mail received from members in respect of code number of Company, future prospects, dividend position, non-receipt of dividend etc. The same have been replied timely. No complaint / query is pending for reply / redressal as on 31.3.2012.

9. 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			
2008-2009	-Do-	27.08.2009	3.00 P.M.	No special resolution passed
2009-2010	-Do-	05.08.2010	3.00P.M.	No special resolution passed
2010-2011	-Do-	04.08.2011	3.00P.M.	No special resolution passed

Postal ballots : For the year ended on 31st March' 2012 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

10. OTHER DISCLOSURES:

- a) **None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.30 of Notes on accounts in the Annual Report.**
- b) The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year. Fee for revocation of suspension as charged by BSE Rs. 540000/- was paid and suspension was revoked w.e.f. 19.08.2011 and Fee for revocation of suspension as charged by NSE Rs. 133000/- was paid and suspension was revoked w.e.f. 15.12.2011.

MEANS OF COMMUNICATION:

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

11 (i) SHAREHOLDERS INFORMATION:

1. **Annual General Meeting** **Date** : 19.07.2012,
Time : 3:00 P.M
Venue : A-1, Industrial Estate, Varanasi
2. **Financial Calendar 2011-2012** : **(F.Y. 01/04/2011 to 31/03/2012)**
:
:
From 2nd July, 2012 to Thursday, the 19th July, 2012 (both



4. **Dividend payment** : Interim dividend paid on 8.9.2011 @ Rs.2.5 per share and final dividend recommended by board @ Rs. 1.50 per share for F.Y.2011-2012.
5. **Listing on Stock Exchanges** : U.P. Stock Exchange, Kanpur
Bombay Stock Exchange
National Stock Exchange
6. **Listing Fees** : Fees paid for UP Stock exchange, BSE and NSE.
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** : 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 any problem shareholder(s) may write to the company.
13. **Compliance Officer** : Sri R.K. Singh, Company Secretary
14. **Designated Exclusive E-mail for investor service and Website** : investor@bblinvestor.com or www.bblinvestor.com

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

11(ii) SHARE TRANSFER SYSTEM:

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

11(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2012:

Particular	No. of Shareholder	% of share holders	Number of Share held	% of share holding
001 – 500	6491	95.879	729812	10.997
501 – 1000	159	2.349	107706	1.623
1001 – 2000	47	0.694	66610	1.004
2001 – 3000	20	0.295	49672	0.748
3001 – 4000	16	0.236	55029	0.829
4001 – 5000	7	0.103	31395	0.473
5001 – 10000	12	0.177	85215	1.284
10001 – above	18	0.266	5510783	83.041
	6770	100.00	6636222	100.00

11(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2012:

The category wise share holding of Members of the Company as on 31.03.2012 is as under –

Category	No. of Shares held	% of the Shares held
1- a) Promoters / Associates / Directors	3835592	57.798
b) Non Promoters and Independent Directors	600	0.009
2- Other Bodies Corporate	192829	2.906
3- Financial Institution / Bank	82790	1.248
4- Mutual Fund	20	0.000
5- Trust	1072000	16.154
6- Non resident Indian/OCB	184250	2.776
7- Clearing Member	1214	0.018
8- Employee	2206	0.033
9- Director`s relative	6735	0.101
10- Indian Public	1257986	18.956
Total -	6636222	100.00

11(v) DEMATERIALIZED OF SHARES:



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

BSE

Period (Jul 2011 to Mar 2012)

NSE

Period (December 2011 to Mar 2012)

Month	High Price	Low Price	No. of Shares	Month	High Price	Low Price	No. of Shares
Aug 11	42.00	28.54	5876				
Sep 11	42.55	27.15	42929				
Oct 11	33.95	28.85	23287				
Nov 11	33.60	24.15	8496				
Dec 11	33.70	26.25	12158	Dec 11	28.50	28.50	11
Jan 12	41.95	28.75	18980	Jan 12	36.00	35.65	112
Feb 12	39.00	33.75	25120	Feb 12	36.00	35.50	25
Mar 12	36.60	29.75	47184	Mar 12	36.95	33.75	119

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

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

12. **CEO / CFO CERTIFICATION –**

CEO / CFO Certificate in Compliance to Clause 49 of Listing Agreement is enclosed in respect of the financial year 2011-2012.

For BANARAS BEADS LTD.

Place : VARANASI
Date : 30. 05. 2012

(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, 2012.

For Banaras Beads Limited

Place: Varanasi
Date : 30.05.2012

(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 : 30.05.2012

(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' 2012 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 : 30. 05. 2012

(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, 2012, the Statement of Profit & Loss and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion of these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Reports) Order, 2003 as amended, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of checks of the books and records of the Company as we considered appropriate and the information and the explanations given to us during the course of audit, a statement on the matters specified in paragraphs 4 and 5 of the said order is annexed.
4. Further to our comments in the Annexure referred to above we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
 - (c) The Balance sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Statement of Profit & Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 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, 2012; and
 - (ii) In the case of the Statement of Profit and Loss, 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: 30. 05. 2012

(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, 2012

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies noticed on such verification.
 - (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 taken following unsecured loans from parties covered in the register maintained under section 301 of the Companies act, 1956
No. of parties 1 Amount Involved 103.25 Lakhs
 - (f) The rate of interest and other terms and conditions of loans taken by the company are prima facie not prejudicial to the interest of the company
 - (g) The company has repaid the loan.
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.



- 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 : 30.05.2012

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



BANARAS BEADS LTD.

Balance Sheet as at 31st March, 2012

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		(Amount in Rs.)	(Amount in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	66134720	66129720
(b) Reserves and Surplus	2	302876616	286213686
(2) Current Liabilities			
(a) Short-term borrowings	3	63699131	59327902
(b) Trade payables	4	4777506	11397544
(c) Other current liabilities	5	11321668	19739672
(d) Short-term provisions	6	22931816	6030531
Total		471741457	448839055
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		49275895	54168520
(ii) Intangible assets		270152	359577
(iii) Capital work-in-progress		28759334	9923046
(b) Non-current investments	8	1126499	3452499
(c) Deferred tax assets (net)	9	5724102	6694792
(d) Long term loans and advances	10	134998031	134998031
(2) Current assets			
(a) Current investments	11	4571486	1329224
(b) Inventories	12	71824105	94549490
(c) Trade receivables	13	13282378	23709035
-(d) Cash and cash equivalents	14	93741497	86755533
(e) Short-term loans and advances	15	67240455	31819033
(f) Other current assets	16	927523	1080275
Total		471741457	448839055

For and on behalf of the Board of Directors

For Kamal Kishore & Co.
Chartered Accountants

(Ashok Kumar Gupta)

(Ashok Kumar Kapoor)

(K.K. Srivastava)
Partner

Chairman & Managing Director

Director

Place : Varanasi
Date : 30.05.2012

(Jai Singh)
Manager (Accounts)

(R.K.Singh)
Company Secretary



BANARAS BEADS LTD.

Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No	2011-12 (Amount in Rs.)	2010-11 (Amount in Rs.)
Revenue from operations	17	338620332	386328195
Other Income	18	15594193	3199657
Total Revenue		354214526	389527852
Expenses:			
Cost of materials consumed	19	151747286	193901493
Purchase of Stock-in-Trade	20	0	905818
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	19158965	8879768
Manufacturing Expense	22	46727114	54459526
Employee benefit Expense	23	31937334	31201024
Export & Selling Expense	24	23868755	25907544
Administrative Expense	25	6687851	6905660
Finance Costs	26	2355675	923547
Repair & Maintenance	27	3764190	3338797
Depreciation and Amortization Expense	7	8292887	7558892
Total Expenses		294540058	333982069
Profit before Tax		59674468	55545783
Tax expense:			
Current tax		11362641	6030531
Deferred tax		970690	0
Profit for the Year		47341137	49515252
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		7.13	7.46

For and on behalf of the Board of Directors

For Kamal Kishore & Co.
Chartered Accountants

(K.K. Srivastava)

Partner

Place : Varanasi.

Date : 30.05.2012

(Ashok Kumar Gupta)

Chairman & Managing Director

(Jai Singh)

Manager (Accounts)

(Ashok Kumar Kapoor)

Director

(R. K. Singh)

Company Secretary



BANARAS BEADS LTD.

Cash Flow Statement For the Year Ended 31st March, 2012

	Rs. in Lacs		Rs. in Lacs	
	<u>Current Year</u>		<u>Previous Year</u>	
(A) Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items	596.74			555.46
Adjustment For :-				
Depreciation	82.93		75.59	
Profit/Loss on Sale of Fixed Assets	0.23		(0.84)	
Profit/(Loss) on Sale of Investment	0.00		0.00	
Interest/Dividend/ Rent	(73.85)		(28.64)	
Profit on Sales of Investment	(81.44)		0.00	
Other Non Cash Exp.	0.00	-72.13	0.00	46.11
		<u>524.61</u>		<u>601.57</u>
Adjustment For :-				
Trade & Other receivables	(261.68)		(12.71)	
Inventories	227.25		6.14	
Trade Payable	(150.38)	-184.81	(225.85)	-232.42
Cash Generated From Operations		<u>339.80</u>		<u>369.15</u>
Interest Paid	23.56		(9.24)	
Direct Taxes	(47.03)	(23.47)	(77.89)	-87.13
		<u>(23.47)</u>		<u>-87.13</u>
Cash Flow Before Extraordinary Items		316.33		282.02
Extraordinary Items		0.00		0.00
Net Cash From Operating Activities (A)		316.33		282.02
(B) Cash Flow From Investing Activities :				
Purchase of Fixed Assets	(226.00)		(429.26)	
Sale of Fixed Assets	4.30		1.50	
Purchase of Investments	(657.07)		(422.74)	
Sale of Investments	729.34		462.25	
Lease of Investments	0.00		0.00	
Lease or Hire Charges	0.00		0.00	
Interest Received	65.87		27.06	
Rent Received	3.60		0.00	
Dividend Received	4.38		1.58	
Net Cash used in Investing Activities (B)	(75.58)	(75.58)	(359.61)	-359.61
(C) Cash Flow From Financing Activities :				
Amount Received against Calls in Arrear	1.78		0.00	
Proceeds from Short term borrowings	43.71		380.12	
Dividend & Interest Paid	(216.38)		9.24	
Net Cash used in Financing Activities (C)	(170.89)	(170.89)	389.36	389.36
TOTAL (A+B+C)		<u>69.86</u>		<u>311.77</u>
Net Increase/Decrease in Cash & cash Equivalents		69.86		311.77
Cash & cash Equivalents As at 01.04.2011		867.55		555.78
Cash & cash Equivalents As at 31.03.2012		937.41		867.55
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 : 30/05/2012

(K.K. Srivastava)

Place : Varanasi

Partner



ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

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

2. FIXED ASSETS:-

Fixed Assets are stated at cost of acquisition less depreciation.

3. DEPRECIATION:-

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

4. INVESTMENTS:

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

5. INVENTORIES:

Basis of valuation

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

6. FOREIGN CURRENCY TRANSACTIONS :

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

7. RETIREMENT BENEFITS:

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

8. ACCOUNTING FOR DUTY CREDIT SCRIPT UNDER FOCUS PRODUCT/VISHESH KRISHI UDYOG YOJNA :

Duty Credit Script under Focus Product/VKUY 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 Focus Product Scheme receivable at the end of accounting year is accounted on estimated realizable value.

9. CONTINGENT LIABILITIES :

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

10. SALES:

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

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



B. NOTES TO ACCOUNTS

	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>1. SHARE CAPITAL</u>		
<u>AUTHORISED CAPITAL</u>		
Authorised		
1,20,00,000 Equity Share of Rs. 10/- Each	120000000	120000000
<u>ISSUED SUBSCRIBED & FULLY PAID UP SHARE CAPITAL</u>		
6636222 Equity Shares	66362220	66362220
Of Rs. 10/- Each Fully paid -up		
Less: Unpaid Calls	227500	232500
Total	66134720	66129720
Shareholders holding more than 5% shares		
	<u>No. of Shares (%)</u>	<u>No. of Shares (%)</u>
Ashok Kumar Gupta	1363402 (20.54)	1363402 (20.54)
Ashok Kumar Gupta (HUF)	544920 (8.21)	544920 (8.21)
Rekha Gupta	739830 (11.15)	739830 (11.15)
Ram Gulam Kanhaiya Lal Charitable Trust	1072000 (16.15)	1072000 (16.15)
Prashant Gupta/Ashok Kumar Gupta(Joint Holders)	472540 (7.12)	472540 (7.12)
Vaishali Gupta	350110 (5.28)	350110 (5.28)
<u>2. RESERVE AND SURPLUS</u>		
<u>A. GENERAL RESERVE</u>		
Transferred During the Year	4750000	-
Sub- Total	4750000	-
<u>B. SECURITIES PREMIUM RESERVE</u>		
	224765500	224765500
Less : Unpaid Calls	2033750	2206675
Sub- Total	222731750	222558825
<u>C. SURPLUS OF PROFIT & LOSS</u>		
Balance as per Last Account	63654861	32732800
Net Profit After Tax	47341137	49515252
Deferred Tax Adjustments		-18593191
Less: Transferred to General reserve	4750000	
Interim Dividend Paid (Interim Dividend @ Rs. 2.5 per share)	16590555	-
Proposed Final Dividend (Final Dividend @ Rs.1.5 per share)	9954333	-
Tax on Dividend	4306244	-
Sub Total	75394866	63654861
Total	302876616	286213686



	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	(Amount in Rs.)	(Amount in Rs.)
<u>3. SHORT TERM BORROWINGS</u>		
<u>Secured Loans from Bank</u>		
a)Bank of Baroda Packing Credit Foreign Currency Loan	59364179	10657700
b)Bank of Baroda Packing Rupee Loan (Both Secured against hypothecation of Stock, Book Debts & Plant and Machineries)	-	48670202
c) Bank Of Baroda O/D A/C (Secured against Fixed Deposits of the Bank)	4334952	-
Total	63699131	59327902
<u>4. TRADE PAYABLE</u>		
Trade Payable	4777506	11397544
Total	4777506	11397544
<u>5. OTHER CURRENT LIABILITIES</u>		
Customer Deposits	7599324	13491822
Liabilty for Cheque issued		3230044
Other Liabilities	3198170	3017806
Unclaimed Dividend	524175	
Total	11321668	19739672
<u>6. SHORT TERM PROVISIONS</u>		
Provision for Income Tax	11362641	6030531
Provision for Proposed Dividend	9954333	-
Provision for Tax on Proposed Dividend	1614842	-
Total	22931816	6030531

FIXED ASSETS AND DEPRECIATION

(Amount in Rs.)

DESCRIPTION OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OP. BALANCE AS ON 1.4.11	ADDITION	DEDUCTION	TOTAL	UPTO 31.3.11	During the Year	DEDUCTION DUE TO SALE	TOTAL	AS ON 31.3.12	AS ON 31.3.11
FIXED ASSETS											
LAND	0.00%	3471276	30000	0	3501276	0	0	0	0	3501276	3471276
OFFICE BUILDINGS	10.00%	44415252	0	290859	44124393	24668515	1958501	0	26627016	17497378	19746738
FURNITURE & FIXTURE	18.10%	9323717	28004	0	9351721	5375259	719203	0	6094462	3257259	3948458
VEHICLES & MACHINERY	13.91%	26567966	1453805	0	28021771	14341425	1798402	0	16139827	11881944	12226542
TECHNICAL EQUIPMENT	13.91%	6725003	3250	0	6728253	3995448	379964	0	4375411	2352842	2729555
COMPUTER EQUIPMENT	13.91%	756776	0	0	756776	707736	6821	0	714557	42219	49040
STOCKS	25.89%	17515667	2341897	1812390	18045175	6225812	2974976	1359523	7841265	10203909	11289855
INTEREST	40.00%	4446855	125308	0	4572163	3791540	293834	0	4085373	486790	655315
DEBTS	100.00%	1708349	0	0	1708349	1668309	0	0	1668309	40040	40040
TELEPHONE	13.91%	15450	2300	0	17750	3748	1762	0	5510	12240	11702
Sub Total		114946310	3984564	2103249	116827625	60777790	8133462	1359523	67551730	49275895	54168520
INTANGIBLE ASSETS											
GOODWILL	40.00%	756747	70000	0	826747	397170	159425	0	556595	270152	359577
Sub Total		756747	70000	0	826747	397170	159425	0	556595	270152	359577
INCOMPLETE WORK IN PROGRESS											
WIP		9923046	18836287	0	28759334	0	0	0	0	28759334	9923046
Sub Total		9923046	18836287	0	28759334	0	0	0	0	28759334	9923046
TOTAL		125626103	22890851	2103249	146413706	61174960	8292887	1359523	68108325	78305381	64451143
PREVIOUS YEAR		83317033	54071590	11762520	125626103	54167618	7558892	551550	61174960	64451143	46809416



8. NON-CURRENT INVESTMENTS			Figures as at	Figures as at
			the end of current reporting period	the end of previous reporting period
			(Rs.)	(Rs.)
	No.of shares	Face Value		
(I) In Equity Shares – Un-quoted				
A. INVESTMENT IN ASSOCIATES				
BBL Beads Ltd	87500	10.00	875000	875000
Banaras Bead Leasing & Fin P Ltd			-	1201000
(Previous Year 12010 shares of Rs. 100/- each – Sold during the year 12010 shares)				
Banaras Glass Beads Ltd.			-	1125000
(Previous Year 112500 shares of Rs. 10/- each – Sold during the year 112500 shares)				
B. INVESTMENT IN OTHERS				
India Exposition Mart Ltd	9343	10.00	93430	93430
(II) In Equity Shares - Quoted				
Gee EI Wollen Ltd.	1000	10.00	10000	10000
Pertech Computers Ltd.	600	10.00	36000	36000
Elbee Services Ltd.	100	10.00	14000	14000
Kabson Industries Ltd.	1300	10.00	13000	13000
Bholanath International Ltd.	300	10.00	6020	6020
Ideal Carpets Ltd.	300	10.00	2252	2252
M.P.Telelink Ltd.	500	10.00	5000	5000
Rungta Irrigation Ltd.	600	10.00	36797	36797
GKB Ophthalmic Ltd.	1000	10.00	35000	35000
Total			1126499	3452499
Aggregate Cost of Quoted Investment-				
(Rs.158069,Previous Year Rs. 158069)				
(Market value Rs.152872, Previous Year Rs. 148472)				
Aggregate Cost of Un- quoted Investment				
(Rs.968430,Previous Year Rs. 3294430)				



	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
9. DEFERRED TAX ASSETS (NET)		
<u>Deferred Tax Liability</u>		
Related to Fixed Assets	-561902	-464430
<u>Deferred Tax Assets</u>		
On account of Unabsorbed Loss & Depreciation	-	5798812
On account of MAT	6286004	1360410
Net Deferred Tax Assets	5724102	6694792
10. LONG TERM LOANS & ADVANCES		
Advance against Purchase of land	134998031	134998031
Total	134998031	134998031
11. CURRENT INVESTMENTS		
<u>In Units of Mutual Fund</u>		
<u>Quoted</u>		
Templeton India Treasury Management A/c	-	192793
Franklin Templeton Capital Safety Fund-5 Year Plan	-	1000000
Kotak Floater Long Term	-	35723
Baroda Pioneer Treasury Advantage Fund	4571486	100708
Aggregate amount of quoted Investment (Rs.4571486, Previous Year Rs. 1329224) Market Value Rs. 4571486 Previous Year Rs. 1329224)		
Total	4571486	1329224
12. INVENTORIES		
(As Taken , Valued as per policy stated in point 5 of Accounting policies and Certified by the Management.)		
Raw Material	26047395	25540742
Finished Goods	38627042	52927798
Export Merchandise in Transit	808620	5666829
Packing Material	2584394	5342791
Stores & Spares	3756654	5071329
Total	71824105	94549490
13. TRADE RECEIVABLES		
Unsecured, Considered Good by the Management		
Outstanding over Six Months	1677261	1636285
Other Debts	11605117	22072750
Total	13282378	23709035
14. CASH & CASH EQUIVALENTS		
<u>WITH SCHEDULED BANKS</u>		
In Current Accounts	8171933	3551045
In Fixed Deposit Account	84123734	82601169
Earmarked Balance With Bank (For Unpaid Dividend)	524175	-
Cash in Hand (As certified by the management)	908113	589840
Postage Imprest	13541	13479



15. <u>SHORT-TERM LOANS AND ADVANCES</u>	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
Unsecured, Considered Good by the Management		
(Recoverable in Cash or in Kind or value to be received)		
Advance to Suppliers & Other	34052588	5289518
Advance Payment for Taxes	18190035	19212358
Export Incentive Receivables	9478656	7282093
Loan to Others	5519177	35064

Total	67240455	31819033
--------------	-----------------	-----------------

16. OTHER CURRENT ASSETS

Security And Other Deposit	515123	224677
Prepaid Expenses	412400	855598

Total	927523	1080275
--------------	---------------	----------------

17. REVENUE FROM OPERATIONS

SALES OF PRODUCTS

Export Sales	287528276	329215658
Domestic Sales	14218925	22617546

Sub Total	301747201	351833204
------------------	------------------	------------------

OTHER OPERATING REVENUE

Focus /VKUY License Transfer	18562161	-
Export Incentive & Other Benefits	15063455	25204585
Exchange Rate Difference	3247515	9290406

Sub Total	36873131	34494991
------------------	-----------------	-----------------

Total	338620332	386328195
--------------	------------------	------------------

18. OTHER INCOME

Interest Income	6587148	2705957
Dividend	437600	217910
Net Gain on Sale of Investment	8144120	-
Net Gain on Sale of Fixed Assets	-	83879
Rent	360000	60000
Misc.Other Income	65325	131911

Total	15594193	3199657
--------------	-----------------	----------------

19. COST OF MATERIALS CONSUMED

OPENING STOCK

Raw Material	25540742	22704690
Stores & Consumables	4775502	2474232
Packing Material	5342791	2509802

Sub Total	35659036	27688724
------------------	-----------------	-----------------



	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>PURCHASES</u>		
Raw Material	17419513	34928347
Semi Finished Goods	111698323	139204165
Packing Material	11567132	17917493
Stores & Consumables	7791725	10117627
Sub Total	148476693	202167632
<u>CLOSING STOCK</u>		
Raw Material	26047395	25540742
Stores & Consumables	3756654	5071329
Packing Materials	2584394	5342791
Sub Total	32388443	35954862
Cost of Material Consumed	151747286	193901493
20. <u>PURCHASE OF STOCK -IN- TRADE</u>	-	905818
Total	-	905818
21. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade /		
<u>OPENING STOCK</u>		
Finished / Semi Finished Goods	52927798	57320567
Export Merchandise in Transit	5666829	10153828
Sub Total	58594627	67474395
<u>CLOSING STOCK</u>		
Finished / Semi Finished Goods	38627042	52927798
Export Merchandise in Transit	808620	5666829
Sub Total	39435662	58594627
Net Changes	19158965	8879768
22. <u>MANUFACTURING EXPENSES</u>		
Bead & Handicraft Manufacturing & Finishing Expenses	43123267	47481246
Power & Fuel	2035575	2240942
Freight Exp	1568272	4737338
Total	46727114	54459526
23. <u>EMPLOYEE BENEFIT EXPENSE</u>		
Salaries & Wages	26216666	26213581
Bonus to Employees	2008032	1984228
Provident & ESI Fund	2977121	2479405
EDLI, Training and Other Benefits	272176	92777
Food & Beverage to Staff	450820	402441
Staff Welfare Expenses	12519	28592



Total	31937334	31201024
	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
<u>24. EXPORT & SELLING EXPENSE</u>		
Foreign Traveling Expenses	8110291	5605204
Export / Local Freight & Shipping Expenses	10029028	14459310
Trade Fair exp	3027207	1553494
Local Traveling Expenses	679259	1272387
Other Selling Expenses	2022970	3017149
Total	23868755	25907544
<u>25. ADMINISTARTIVE EXPENSES</u>		
Rent	30000	30000
Insurance	547998	551034
Rates & Taxes	0	2155
License & Fees	949184	193204
Membership & Subscription	42213	69039
Communication Charges	692973	545198
Conveyance Charges	78524	92816
Printing & Stationery	635432	944761
Professional & Legal Expenses	682197	1332082
Loss on sale of fixed Assets	22867	-
Sundry Bal. W\Off / Bad Debts	-	205650
Vehicle Running & Maintenance	1017282	947273
Bank Charges	810244	866577
Director Sitting Fees	38000	39000
Postage exp	308063	194314
Others	707685	771226
Payment to Auditor		
As Auditor	82725	82725
For Taxation Purpose	11030	8273
For Certification / Quarterly Review Fees	31436	30333
Total	6687851	6905660
<u>26. FINANCE COST</u>		
Interest paid to bank	1812343	923547
Interest paid to others	543332	-
Total	2355675	923547
<u>27. REPAIR & MAINTENANCE</u>		
Building	553069	655627
Machinery	2357743	1621778
Vehicle & Others	853379	1061392
Total	3764190	3338797
<u>28. RAW MATERIALS CONSUMED</u>		
Glass & Raw Beads	68755427	95395197
Misc Raw Handicraft , Fabric & Other Materials	59288468	75901263
Store & Consumable Items	9377862	7520529
Packing Material	14325529	15084504



Total **151747286** **193901493**

COMPOSITION OF RAW MATERIAL CONSUMED

	%	Value (Rs.)	%	Value (Rs.)
Indigenous	92.83%	140870346	89.41%	173370848
Imported	7.17%	10876940	10.59%	20530645
Total	100%	151747286	100%	193901493

29. 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)

30. 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.

Details of Transactions:

Sl. No.	NAME	Nature of Transaction	Value of Transaction entered during the year (Rs.)	Amount of Outstanding Items as on Balance Sheet (Rs.)
1	Banaras Beads Exports Ltd	Sales	2295688	-----
		Purchase	852033	-----
		Loan transaction including interest	10475725	-----
2	Ashok Kumar Gupta	Remuneration including P.F.	1680000	----
3	Siddharth Gupta	Remuneration including P.F.	1344000	----
4	Banaras Glass Beads Ltd	Purchase	4855997	----
		Sales	5971028	-----
		Bead Polishing Charges	279982	-----
5	BBL Beads Limited	----	----	-----
6	Mangalam Hospitality India Ltd.	----	----	----
7	Mathur Vaishya Jan Kalyan Trust	Expenses	47900	16850(Cr)

31. Earning per share:

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

	<u>2011-2012</u>	<u>2010-2011</u>
Net Profit attributable to shareholders (Rs.) :	47341137	49515252
Weighted average numbers of equity shares :	6636222	6636222
Basic earning per share of Rs. 10/- each (Rs.) :	7.13	7.46

32. Remuneration to Directors:

	Current Year (Rs.)	Previous Year (Rs.)
A. Chairman & Managing Director		
Salaries	15,00,000	15,00,000
Contribution to Provident Fund	180000	45000
B. Executive Director		
Salaries	1200000	877778
Contribution to Provident Fund	144000	105333



C. MISCELLANEOUS NOTES ON ACCOUNTS:

1. 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.
2. **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.
3. 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.
4. 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.
5. 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.
6. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.
7. 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.
8. 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.
9. The Calls in arrears of Share Capital amounting to Rs.227500 and of Share Premium amounting to Rs. 2033750/- 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.
10. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.



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 32nd Annual General Meeting of the Company held on Thursday 19th July ' 2012 at 3:00 P.M. at A-1, Industrial Estate, Varanasi-221106

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

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

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

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

PROXY FORM

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

I/We.....of
.....in the district
of.....hereby appoint.of
.....or failing him / her
.....of in the district of
.....as my/our proxy to attend and vote for me/us on my/our behalf
at the 32nd Annual General Meeting of the Company to be held on Thursday 19th July ' 2012 at 3:00 P.M. at A-1 Industrial Estate Varanasi and at any adjournment thereof.

Signed this.....day of.....2012.

Signature -----

<p>Affix One Rupee Revenue</p>

▼ **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.



Corporate & Head Office in Varanasi



New Factory/Packaging unit due to be completed by end 2012 in Varanasi.
The company will have added floor area of 75,000 Sq. Ft.