37th Annual Report

2016-17

BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA

AN ISO CERTIFIED COMPANY

BOARD OF DIRECTORS

Ashok Kumar Gupta	: Chairman & Managing Director
Siddharth Gupta	: CEO & Managing Director
Shalini Chandra	: Executive Director
Ashok Kumar Kapoor	: Independent and Non-executive Director
Praveen Singh	: Independent and Non-executive Director
Tanmay Deva	: Independent and Non-executive Director

Company Secretary & Compliance Officer

R.K. Singh

KEY MANAGERIAL PERSONNEL

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

REGISTERED OFFICE

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

E-MAIL & WEBSITE FOR INVESTOR

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

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

E-VOTING SCRUTINIZER

Ajay Jaiswal
Practicing Company Secretary
N-10/58-J-32, LANE NO.4,
SRIRAM NAGAR COLONY
NEAR MANDUADIH RLY STATION
VARANASI-221010 UP

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

BANKERS
Yes Bank Ltd.
Bank of Baroda
Axis Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

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

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

CONTENTS: PAGE NO.

NOTICE

NOTICE is hereby given that 37th 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 28th September, 2017 at 3.00 P.M. to transact the following **Ordinary Business:**

Item No. 1 - Adoption of Financial Statement

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2017 including the audited Balance Sheet as at March 31, 2017 the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.

Item No. 2 – Declaration of dividend for F.Y. 2016-17

To Declare Dividend of Rs. 1/- on per Equity Share for the year 2016-17.

Item No. 3 – Re-appointment of Director

To appoint a director in place of Smt. Shalini Chandra (DIN: 01036394), who retires by rotation and being eligible, offers himself for re-appointment as director.

Explanation- Smt. Shalini Chandra (DIN: 01036394) Executive Director of the company is subject to retirement by rotation based on terms of her appointment on 01.03.2015. She would need to be re-appointed as Whole Time Director and if her appointment is approved, she will continue as Executive Director of the company till 28th February 2020.

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

RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Smt. Shalini Chandra (DIN: 01036394) as an Executive Director, to the extent that she is required to retire by rotation and to continue as Executive Director of the company.

Item No. 4 –Appointment of Statutory Auditors.

To appoint the auditors of the Company, and to fix their remuneration.

Explanation: The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors, Pursuant to Section 139 of the Act and the Rules made there under, it is mandatory rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s Kamal Kishore & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) have served the Company for over 15 years before the act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 37th AGM.

The audit committee of the Company has proposed and on May 11, 2017, the Board has recommended the appointment of M/s G D Dubey & Associates, Chartered Accountants (Firm Registration number 009836C) as the statutory auditors of the Company. M/s G D Dubey & Associates will hold office for a period of five consecutive years from the conclusion of the 37th Annual General Meeting of the Company till the conclusion of the 42nd Annual General Meeting to be held in the year 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

Therefore, shareholders are requested to consider and if thought fit to pass the following resolution as ordinary resolution:

RESOLVED THAT, pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, pursuant to the proposals of the audit committee of the Board and recommendation of the Board, M/s G D Dubey & Associates, Chartered Accountants (Firm registration number 009836C) be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the conclusion of 37th Annual General Meeting, subject to ratification every year in Annual General Meeting, on a remuneration that may be determinate by the audit committee and Board in consultation with the auditors.

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

Sd/-

Place : VARANASI
Date : 25. 05. 2017

(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 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.

2. **The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 22nd September, 2017 to Thursday 28th September, 2017 (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 dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slips and proxy form for attending the Meeting.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. The INE number of the company is 655B01011. The members holding shares in physical form are requested to dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

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

7. **Members are requested to make all query /correspondence directly with above Registrar of the company for transfer, transmission of shares, duplicate issue of share certificates, record in change of address and for other purposes.**

8. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 21st September, 2017. The dividend is Rs. 1/- per equity share.

9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their **mobile number, bank details** including New Bank account, 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.

10. If members not update their active **bank details** including New Bank account and other detail to their **Depository Participant then their dividend amount cannot be sent in their bank account through NECS directly and as per SEBI circular no. CIR/MRD/DP/10/2013 dt. 21.03.2013, if NECS failed then physical payment instrument to be issued to the investor and on the face of the same bank account detail to be mentioned (Including de-activated/closed bank account if any). To avoid such un-necessary problem or get dividend timely, you must update your bank account with depository.**

11. The members holding shares in physical form are requested to send their change of address, **Intimate his mobile number** and other detail to the above RTA of the company or at Registered office of the company / **E-mail- investor@bblinvestor.com OR rksingh@banarasbead.com.**

12. As per provisions of Investor Education and Protection Fund of Companies (Declaration and payment of dividend) Rules 2014, the Company will upload information regarding unpaid and unclaimed amounts lying with company to the MCA and Company website. The Company has uploaded the details of unpaid and unclaimed amounts of dividends lying with the Company for F.Y. 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 (upto last AGM) and for F.Y. 2016-17 will be uploaded after AGM with company's website and Ministry of Corporate Affairs website.

13. Members wishing to claim their unpaid Interim and Final dividends for F.Y. 2011-2012, Interim Dividend 2012-2013, Dividend 2013-14 Dividend 2014-15 interim dividend 2015-16 and interim dividend 2016-17 are requested to correspond with Company Secretary of the Company, at the Company's registered office or RTA. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Acts, 1956), be transferred to the Investor Education and Protection Fund.

14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update their e-mail addresses, in respect of shares held in dematerialized form **with their respective Depository Participants** and in respect of shares held in physical form **with above RTA directly to enable** company to send communication / documents via e-mail**.**

15. Copies of the Annual Report 2017 along with Notice of the 37th AGM, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

14. E-VOTING –

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

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

Commencement of e-voting	End of e-voting
September 25, 2017 at 09.00 a.m. IST	September 27, 2017 at 5.00 p.m. IST
CUT OF DATE FOR REMOTE E-VOTING	21/09/2017

The instructions for members for voting electronically are as under:-

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL **https://www.evoting.nsdl.com/**

3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (**Banaras Beads Limited)**. Members can cast their vote online from **September 25, 2017 (09:00 am)** till **September 27, 2017 (5:00 pm).**

Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **(workroc@gmail.com)** with a copy marked to **evoting@nsdl.co.in**.

Please note the following:
A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 21st September, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

i. Initial password is provided in the enclosed attendance slip: EVEN (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (1) to Sl. No. (10) above, to cast vote.

Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th August, 2017, can obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, info@masserv.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

C. Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; **www.icicidirect.com** for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website **www.icicidirect.com**. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.

- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.banarasbead.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 37th AGM of the Company on September 28, 2017 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of **https://www.evoting.nsdl.com** or contact NSDL at the following toll free no.: 1800-222-990.

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

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

Place : VARANASI
Date : 25. 05. 2017

Additional information of directors recommended for appointment/re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

Name	:	**Smt. Shalini Chandra**
Fathers name	:	Shri Shashi Kant Dixit
Date of Birth	:	**13**.11.1975
Nationality	:	Indian
Qualifications	:	**Post** Graduate.
Date of appointment on the board	:	**Appointed as Executive director in the company on 01.03.2015** under the Companies Act 2013 for the period 01.03.2015 to 28.02.2020.
Permanent Account No.	:	ADQPC6317F
Director Identification No.	:	01036394
List of directorship held in other **Company(s)**	:	**i)** M/s Omini Marketing Private Ltd. ii) Industrial Automobiles & Fuels Limited
Number of shares held in the company	:	5300
Chairperson of Board committees	:	NIL
Disclosure of relationships between directors	:	NIL
inter-se Member of board committee	:	NIL

EXPERIENCE:

Smt. Shalini Chandra is Post Graduate (P.G.D.B.A) from MIT School of Management of Pune and having more than ten years experience of Marketing, Finance and Management.

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **37th Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2017.

FINANCIAL RESULTS:

	2016-2017 (Rs. in lacs)	**2015-2016 (Rs. in lacs)**
Revenue from Operations	2732.46	2474.28
Net Profit Before Taxation	281.06	625.82
Net Profit after taxation	166.89	431.54
Balance of Profit & Loss Account B/F	1166.99	950.98
APPROPRIATIONS:		
Transfer to General Reserve	15.00	15.00
Dividend Payable (@ 1.0 per Share) Previous Year @Rs. 2.5 per share.	66.36	165.91
Tax on Dividend	13.51	33.98
Taxes of earlier Years	22.82	0.64
Balance of Profit & Loss Account C/F	1216.19	1166.99

DIRECTORS RESPONSIBILITY STATEMENT:

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

(*a*) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) the directors had prepared the annual accounts on a going concern basis; and

(*e*) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(*f*) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

OPERATION:

During the year turnover of your Company slightly increased in the comparison of previous year.

DIVIDENDS:

Based on the Company's performance during the year 2016-17, the Board of Directors decided to recommend dividend of Rs.1/- (i.e. 10%) per share amounting to Rs. 7987201 (inclusive of tax of Rs. 1350979). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

TRANSFER TO RESERVES:

The Board of the directors has proposed to transfer Rs. 15.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 49.20 lakhs is proposed to be retained in the Profit and Loss Account after provision of proposed dividend and taxes there on and taxes of earlier year.

SETTLEMENT OF MANAGEMENT DISPUTES:

As already reported that the Special Leave Petition vide no. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others against Hon'ble CLB order in the matter of C.P. No. 14/99 is still pending before Hon'ble Supreme Court for appropriate order. However one of the Respondent Mr. Prashant Gupta had filed an application before Hon'ble Supreme Court against Respondent No.1 (Company) Respondent No. 2 (Mr. Ashok Kumar Gupta) to transfer of 472540 shares in his favour by deleting joint holder's name of which Mr. Ashok Kumar Gupta is joint holder and release payment of all due dividend for F.Y. 2014-15 and 2015-16 to him. The matter was heard by Hon'ble Court on 08.05.2017 and Hon'ble Court directed to make payment of accrued dividend to Mr. Prashant Gupta and Court also stated to take this SLP on number for hearing. As matter of facts the company had paid said dividend to Mr. Prashant Gupta by demand draft during the F.Y. 2014-15 and 2016-17 but due to mismatch/closing of bank account by Mr. Prashant Gupta the same were not encased. The Company is in process to comply order of Hon'ble Supreme Court.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of section 149 of the Act, Mr. Ashok Kumar Kapoor, Mr. Praveen Anand Singh, and Mr. Tanmay Deva were appointed as independent directors at the annual general meeting of the Company held on August 13, 2015. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Smt. Shalini Chandra retires by rotation and being eligible has offered herself for re-appointment. If re-appointed, she will continue as Executive Director of the company till 28^{th} February 2020.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Ashok Kumar Gupta, Chairman & Managing Director, Mr. Siddharth Gupta, Chief Executive Officer and Managing Director, Smt. Shalini Chandra, Executive Director, Mr. Jai Singh, Chief Financial Officer and Mr. R.K. Singh, Company Secretary. There has been no change in the key managerial personnel during the year.

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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

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

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

AUDIT COMMITTEE

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

APPOINTMENT OF AUDITORS AND AUDITOR REPORT:

M/s Kamal Kishore & Company, Chartered Accountants, the statutory auditors of the Company, hold office till the conclusion of the 37^{th} Annual General Meeting of the Company. The Board has recommended the appointment of M/s G D Dubey & Associates, Chartered Accountants as the statutory auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 37^{th} Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 42^{nd} Annual General Meeting to be held in the year 2022, subject to ratification every year in Annual General Meeting, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

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

SECRETARIAL AUDITOR:

The Board has appointed Mr. P. N. Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March 2017 is annexed herewith marked as **Annexure –I to** this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.
The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Returns [Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014] as on the financial year ended on 31.03.2017 is attached as **Annexure- II** with this Report.

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

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

a) **Conservation of Energy** :

The operations of the Company involve low energy consumption. The solar power plant of 150 KVA is properly working and saving grid electricity. Other adequate measures are being taken to conserve the energy.

b) **Technological Absorption**:
The Company has imported machines from China and Czech Republic to upgrades its technological inputs for its products. However presently company has no collaboration arrangement with any foreign organization.

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

The actual foreign exchange earnings (inflow) of the Company during the financial year has been Rs 1974.95 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The actual foreign Exchange Outflow during the year has been Rs. 169.79 lakhs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

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

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

NUMBER OF MEETING OF BOARD

Four Board Meetings were held during the F.Y. on 26th May' 2016, 28th July, 2016, 27th October , 2016, 24th January, 2017.

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION-

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31.03.2017, the board consists of 6 members, three of whom are executive or whole-time directors including one woman and three are independent directors.

The policy of the company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of section 178 of the Companies Act, 2013. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

FIXED DEPOSITS FROM PUBLIC:

The Company have not accepted any fixed deposits and as such, no amount of principal interest was outstanding as of the balance sheet date.

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

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

FINANCE

The Company has taken limit from Yes Bank of Rs. 1500.00 lakhs and the amount of loan outstanding as on 31.3.2017 was Rs.109.61 lakhs.

DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and Investments made are given under the respective heads of the Balance Sheet.

No Corporate Guarantees given by the Company in respect of loans as at 31st March, 2017.

DISCLOSURE REQUIREMENTS

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

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

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

TRANSACTIONS WITH RELATED PARTIES.

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III** in Form AOC-2 and the same forms part of this report.

Particulars of contract U/s 188

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

During the period under review, the Company had not entered into any material transaction with any of its related parties that may have potential conflict with the Company's interests at large. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 27 of Financial Statements, forming part of the Annual Report.

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

CORPORATE SOCIAL RESPONSIBILITY.

The Provision of Section 135 of Companies Act 2013 concerning with Corporate Social Responsibility is applicable during the F.Y. 2016-17. The Company has constituted Corporate Social Responsibility Committee of following members to make CSR policy and advising expenditure for CSR.

1. Shri Ashok Kumar Kapoor - Chairman (Independent Director)
2. Shri Ashok Kumar Gupta - Member
3. Smt. Shalini Chandra - Member
4. Shri Tanmay Deva - Member (Independent Director)
5. Shri Praveen Anand Singh - Member (Independent Director)

The company is in process of taking social improvement projects and applicable amount will be utilised during the financial year 2017-18.

EVALUATION REPORT ON CAPITAL

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

INCREASE IN PAID-UP CAPITAL-

During the year one shareholders calls in arrears amount Rs.500 have been realised. After giving effect of said receipt, the paid-up capital changed/ increased to Rs. 66138220 from Rs. 66137720. The balance calls in arrears are @ Rs. 5 per share on 44800 shares amounting Rs. 224000/-

MATERIAL CHANGES :

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

INTERNAL FINANCIAL CONTROLS:

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

CREDIT RATING:

The company had been recognized/rated as **"ICRA SME 3"** by ICRA Ltd. will be expired on 10.08.2017 and the same is under renewal process.

TRADING OF SHARES UNDER "B" GROUP:

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

ACKNOWLEDGMENT:

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

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

Sd/-

Place : VARANASI
Date : 25 05. 2017

(Ashok Kumar Gupta)
Chairman & Managing Director

ANNEXURE- I TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017.

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

To,
The Members,
Banaras Beads Limited
Varanasi

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

Based on my verification of the Banaras Beads Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Banaras Beads Limited ("the Company") for the financial year ended on 31.03.2017, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The company has complied all the applicable provisions of law including ESIC, EPF, Labour laws etc.

I have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s).

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
All the decision is carried out unanimously by the members and recorded proper way in minutes.

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

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

Sd/-
Prabhu Narayan Gupta
ACS No. 2587
C P No.: 3046

Place: Varanasi
Date: 25.05.2017

ANNEXURE-II TO DIRECTOR REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

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

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	**NIL**				
2					
3					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Indiv/HUF	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
h) Central Govt	0	0	0	0	0	0	0	0	0
i) State Govt (s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	0	0	0	0	0	0	0	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0

(2) **Foreign**									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3835592	0	3835592	57.80	3835592	0	3835592	57.80	0
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	20	0	20	0.00	20	0	20	0.00	0
b) Banks / FI	70	0	70	0.00	0	0	0	0.00	0
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(1):-	90	0	90	0.00	0	0	0	0.00	0
2. **Non-Institutions**									
a) Bodies Corp.	122065	33571	155635	2.34	146811	22570	155635	2.25	-0.09
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	676304	568019	1244323	18.75	702026	533079	1235105	18.61	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	303817	0	303817	4.58	166679	0	166679	2.51	-2.07
c) Others (specify) non-resident Indian./OCB	4905	0	4905	0.07	8844	0	8844	0.13	0.06
d) Any other (specify) clearing member	12211	0	12211	0.18	179782	0	179782	2.11	1.93
e) Any other (specify) Employee	130	810	940	0.01	1080	810	1890	0.03	0.02
g) Any other (specify) Directors and relative	2179	4530	6709	0.10	2179	4530	6709	0.10	0
Sub-total (B)(2):-	2193693	606847	2800540	42.20	2239621	560989	2800610	42.20	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2193701	606929	2800630	42.20	2239641	560989	2800630	42.20	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	**0**
Grand Total (A+B+C)	6029293	606929	6636222	100.00	6075233	590989	6636222	100.00	**0**

(ii)***Shareholding of Promoters***

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

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

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	RAM GULAM KANHIYA LAL CHARITABLE TRUST	1072000	16.15	1072000	16.15
2	VIRAF F CHINOY	117066	1.76	0	0
3	MITA DIPAK SHAH	73000	1.10	88056	1.33
4	HARI PRAKASH GUPTA	36250	0.55	36250	0.55
5	PRASHANT KANSAL	0	0	20000	0.30
6	POONAM BANKIM DESAI	0	0	11673	0.18
7	SURYANARAYANA NALLI	0	0	10700	0.16
8	AVDHESH KUMAR	0	0	10000	0.15
9	DIPAK KANAYALAL SHAH	26130	0.39	0	0
10	RHEA D SHAH	22510	0.34	0	0
11	BRAJA BALASAHA ROY	17000	0.25	0	0
12	SHRI NARAIN AGARWAL	11861	0.18	0	0

13	BUL BUL	9900	0.15	0	0
14	SEEMA MUSTAFA	9570	0.14	9570	0.14
15	H.V. GUPTA	8550	0.13	0	0
16	KESHAVANARAIN (HUF)	0	0	9356	0.14
17	AMIT BANSAL	0	0	9000	0.13
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Transfer			
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Shri Ashok Kumar Gupta	1363402*	20.54	1363402*	20.54
	Shri Siddharth Gupta	201000*	3.03	201000*	3.03
	Shri Ashok Kumar Kapoor	NIL	NIL	NIL	NIL
	Shri Praveen Singh	550	0.00	550	0.00
	Shri Tanmay Deva	50	0.00	50	0.00
	Mrs. Shalini Chandra	5300	0.08	5300	0.08
	Shri Ramesh Kumar Singh	NIL	NIL	50	0.00
	Shri Jai Singh	10	0.00	60	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE			
	At the End of the year				

- **On 22.5.2017, Shri Ashok Kumar Gupta has gifted / transferred his 500000 shares to his son Mr. Siddharth Gupta.**

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In lacs)
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 509.03 ----- -----	 ----- ----- -----	 ----- ----- -----	 509.03 ----- -----
Total (i+ii+iii)	509.03	-----	-----	509.03
Change in Indebtedness during the financial year Addition				

Reduction	399.42	----- -----	----- -----	399.42
Net Change	399.42	------	-----	399.42
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 109.61 ---- ----	 ---- ---- ----	 ---- ----- ----	 109.61 ---- ----
Total (i+ii+iii)	**109.61**	----	----	**109.61**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Siddharth Gupta (CEO & MD)	Shalini Chandra (E. D.)	Ashok Kumar Gupta (C&MD)		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1488000	600000	1200000		3288000
2.	Stock Option	NIL	NIL			
3.	Sweat Equity	NIL	NIL			
4.	Commission - as % of profit - others, specify…	NIL	NIL			
5.	Others, please specify	NIL	NIL			
	Total (A)	1488000	600000	1200000		3288000
	Ceiling as per the Act	8400000	8400000	8400000		25200000

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors Fee for attending board / committee meetings (sitting fee)	Ashok Kumar Kapoor 17000	Praveen Singh 12000	Tanmay Deva 17000		46000
	Total (1)	**17000**	**12000**	**17000**		**46000**
	4. Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	**NIL**	**NIL**	**NIL**		**NIL**

	Total (2)	**NIL**	**NIL**	**NIL**		**NIL**
	Total (B)=(1+2)	**17000**	**12000**	**17000**		**46000**
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		666200 00 NIL	402000 00 NIL	1068200 00 NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - others, specify…		NIL	NIL	NIL
5.	Others, please specify				
	Total		666200	402000	1068200

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 in Rs	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/to median remuneration of employee	Comparison of the Remuneration of the KMP against the performance of the Company
1	Ashok Kumar Gupta Chairman & Managing Director	1200000	NIL	14.84	
2	Siddharth Gupta CEO & Managing Director	1666560	NIL	20.61	
3	Shalini Chandra Executive Director	672000	NIL	8.31	
3	Ramesh Kumar Singh Company Secretary	735224	5.86%	9.09	Profit before Tax Decrease By 55.09% and Profit After Tax Decrease by 61.33% in Financial year 2016-17
4	Jai Singh Chief Finance Officer	450240	5.95%	5.57	

ii) The median remuneration of employees of the Company during the financial year 2016-17 was Rs. 80836 and in Financial Year 2015-16 was Rs. 77229.

iii) In the financial year, there was an increase of 4.67 % in the median remuneration of employees;

iv) There were 255 permanent employees on the rolls of Company as on March 31, 2017;

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

The Profit before Tax for the financial year ended March 31, 2017 Decrease by 55.09 % whereas the increase in median remuneration was 4.67 %. The average increase in median remuneration was not in line with the performance of the Company.

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

The total remuneration of Key Managerial Personnel increased by 40.81 % from 30.94 lacs (annulised) in 2015-16 to 43.56 lacs in 2016-17 (due to payment of salary to the Chairman and Managing Director amounting to Rs. 12.00 Lacs) whereas the Profit before Tax Decrease by 55.09% to 281.06 lacs in 2016-17 (625.82 lacs in 2015-16) .

vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2017 was Rs. 5073.39 lacs (` Rs. 2943.16 lacs as on March 31, 2016)

b) Price Earnings ratio of the Company was 30.46 as at March 31, 2017 and was 6.82 as at March 31, 2016.

vii) Average percentage increase was made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 2.60 % and in the managerial remuneration increase for the same financial year was 40.81%.(due to payment of salary to the Chairman and Managing Director amounting to Rs. 12.00 Lacs)

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

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

For BANARAS BEADS LTD.,

Sd/-

Place : VARANASI **(Ashok Kumar Gupta)**

Date :25.05.2017 **Chairman & Managing Director**

ANNEXURE-III TO DIRECTOR REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:**

Banaras Beads Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2016-17. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

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

a. Name(s) of the related party and nature of relationship: Banaras Beads Exports Limited / Banaras Glass Beads Limited

b. Nature of contracts / arrangements / transactions:	Sale	Rs. 8958600	Rs. 6488020
	Purchase	Rs. 3087500	Rs. 9253728
	Sale of shares	Rs. 5626500	NIL
	Temporary loan	Rs. 16000000	NIL

c. Duration of the contracts / arrangements / transactions: F.Y. 2016-17

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Approved

e. Date(s) of approval by the Board, if any: Approved

f. Amount paid as advances, if any: None

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

Sd/-

(Ashok Kumar Gupta)
Chairman & Managing Director

Place : VARANASI
Date : 25.05.2017

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

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

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

Your company is an Export House recognized by Government of India, Ministry of Commerce & Industries and main business of handicrafts like Glass Beads, Necklaces, Imitation Jewellary in indigenous and Export market. In indigenous market company did not receive good response through Retail Counters, Shop, Stores, Franchise, hence closed the same.

OPPORTUNITIES & THREATS:

The company's product is fashionable items and appreciated in International market. Thus there are opportunities for doing more business in this line. But the China has picked up much share in the market due to their unbelievable low pricing patterns. Thus not only competition has increased but also the Company is forced to reduce price under pressure and to offers to sell its products at un remunerative prices. The fluctuation in foreign currency price also affected the profit of the Company. The management has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reduction and widen it's marketing net work. We hope in coming years Company will able to compete price with China.

SEGMENT:

The Company's main business is Manufacturing and export of Handicraft items like Glass Beads; Neckleces, Imitation Jewellary etc.. All those items form just one Segment. The sale of minor items such as carpets and other items is less them 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:

	2016-2017 (Rs. in lacs)	2015-2016 (Rs. in lacs)
Revenue from Operations	2732.46	2474.28
Net Profit Before Taxation	281.06	625.82
Net Profit after taxation	166.89	431.54
Balance of Profit & Loss Account B/F	1166.99	950.98
APPROPRIATIONS:		
Transfer to General Reserve	15.00	15.00
Interim Dividend Paid (@ 2.5 per Share) Previous Year @Rs. 1.00 per share.	66.36	165.91
Tax on Dividend	13.51	33.98
Taxes of earlier Years	22.82	0.64
Balance of Profit & Loss Account C/F	1216.19	1166.99

OUTLOOK:

The Company is developing new items/products through imported machines and getting order on the basis of same and in coming years demand of company products will be increased in international and indigenous market. During the year company has participated in Foreign Trade Fairs mainly held in Hong Kong , Germany, Midd least and other countries.

RISK_&_CONCERNS:

The main business of your Company is Export business, thus uncertainties in Global economy / international market is major risk for your company.

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

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has developed adequate Internal Control Systems, commensurate to its size and business, which are aimed at achieving efficiency in operations, effective monitoring and optimum utilisation of resources. The Company has appointed Internal auditors to conduct the Internal Audit work. The reports of the Internal Auditors are periodically reviewed by the Audit Committee. The Company has been accredited with ISO 9001:2008 and follows the prescribed parameters.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Despite of taking all efforts during the financial year export was decreased to Rs. 1974.95 lacs in the compression of previous year of Rs.2047.67 lacs. However domestic/local sale Increased and Rs. 594.32 lacs, and the total turnover has increased to Rs. 2569.27 lacs in comparison to Rs. 2335.56 lacs..

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

Labour relations have been cordial with no interruption of manufacturing activities. The total number of permanent employees of the company as on March 31, 2017 was 299out of which 95 women employees are working.

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

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

ACCOUNTING STANDARDS.

The financial statements of the company (Banaras Beads Limited) are prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP).

The statement of profit and loss for the year ended March 31, 2017, balance sheet as at March 31, 2017 and the cash flow statement for the year ended March 31, 2017 are more relevant for understanding the performance of the company.

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

Place : VARANASI
Date : 25.05.2017

CORPORATE GOVERNANCE

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

1. COMPANY’S_PHILOSOPHY:

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

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

The company is having six directors including three executive and three independent directors. The Board’s role, function responsibility, accountability and number of other Directorship and Chairmanship / Membership of Committees of each Director in various other Companies are as follows:

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

3. NUMBERS OF BOARD MEETING HELD:

Four Board Meetings were held during the F.Y. on 26th May’ 2016, 28th July, 2016, 27th October , 2016, 24th January, 2017.

4. ATTENDANCE OF EACH DIRECTORS:

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

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

6. CODE OF CONDUCT:

The company has made Code of Conduct for its directors, senior management and employees. The said code of conduct is available on the Company’s web-site. All the Board Members and senior management of the Company as on March 31, 2017 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto**.**

7. AUDIT AND RISK MANAGEMENT COMMITTEE:

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

The meetings of the Audit Committee were held 25th May’ 2016, 25th July,2016, 27th October, 2016 and 24th January, 2017 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2016-2017 on 11.5.2017. Mr. Ashok Kapoor, Mr. Tanmay Deva and Mr. Praveen Singh have attended all meetings.

The terms of reference to this committee cover the matters specified for Audit and Risk Management Committee.

8. **NOMINATION AND REMUNERATION COMMITTEE**:

The Board has constituted a Nomination and Remuneration Committee comprising of Mr. Praveen Singh, Mr. Ashok Kumar Kapoor and Mr. Tanmay Deva, independent and Non Executive Directors of the company. Mr. Parveen Singh is the Chairman of the Committee. The main function of the said committee is to review and recommend appointment and remunerations of managerial personnel and to do all other related works.

The meetings of the Nomination and Remuneration Committee were held on 24th May' 2016, 27th July,2016, 27th October, 2016 & 24th January, 2017 to review remuneration. Mr. Ashok Kumar Kapoor, Mr. Tanmay Deva and Mr. Praveen Singh attended all four meetings.

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

9. INDEPENDENT DIRECTORS MEETING.

There are three Independent Directors namely Shri Praveen Singh, Shri Ashok Kumar Kapoor and Shri Tanmay Deva under the provisions of Companies Act 2013 and Listing Agreement. All three Independent Directors were hold their independent meetings on 23.01.2016 and 11.05.2017.The same meetings were chaired by Mr. Tanmay Deva.

9. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met four times during the year 2016-2017 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	Transmission	Demat	Remat
No. of shares received	16390	10320	48700	0
No. of shares accepted	16390	10320	45940	0
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	2760	

b) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:

The Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Ashok Kumar Kapoor, Chairman, Shri Praveen Singh and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares, non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 24th May' 2016, 25th July,2016, 27th October ,2016 & 24rd January, 2017.

c) COMPLIANCE OFFICER :

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

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

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 2016-2017 –

The Company has made policy to resolve / redress the complaint within 10 days by the company or through Registrar of Transfer Agent. During the year company has received 5 complaints regarding non-receipt of dividend, demat/ transfer of shares and 216 request to revalidate warrants / issue duplicate demand draft(s). All complaints / request have been resolved timely including issue of duplicate DDs/Warrant . Some Members have talked over phone time to time about demat, transfer, change of address, issue of duplicate share certificate, future prospects, dividend position, non-receipt of dividend etc. The same have been replied timely. No complaint / query are pending for reply / redressal as on 31.3.2017.

10. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special resolutions passed
	A-1, Industrial Estate, Varanasi			
2013-2014	-Do-	17.07.2014	3.00PM	No special resolution passed
2014-2015	-Do-	13.08.2015	3.00PM	Special resolution passed.
2015-2016	-Do-	04.08.2016	3.00PM	No special resolution passed

Postal ballots : For the year ended on 31st March' 2017 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

11. OTHER_DISCLOSURES:

a) None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.26 of Notes on accounts in the Annual Report.

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

12. MEANS OF COMMUNICATION:

The Annual, half yearly and Quarterly results are usually submitted to the Stock Exchanges in accordance with Listing Agreements/ SEBI Regulation (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable and same are sent to the newspapers for publication. The Management discussion and Analysis Report is part of Annual Report, which is now included in the Annual Report.

13 (i) SHAREHOLDERS INFORMATION:

1.	**Annual General Meeting**	**Date** **Time** **Venue**	: : :	28.09.2017, 3:00 P.M A-1, Industrial Estate, Varanasi
2.	**Financial Calendar 2015-2016**		: :	**(F.Y. 01/04/2016 to 31/03/2017)**
3.	**Dates of Books Closure**		:	From **Friday, the 22nd September, 2017 to Thursday 28th September, 2017 (both days inclusive).**
4.	**Dividend payment**		:	Dividend @ Rs.1.00 per share for F.Y.2016-2017, recommended by board.
5.	**Listing on Stock Exchanges**		:	Bombay Stock Exchange National Stock Exchange
6.	**Listing Fees**		:	Fees paid 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 of 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**

1 3(ii) SHARE TRANSFER SYSTEM:

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

13(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2017:

Particular	No. of Shareholder	% out of total share holders	Number of Share held	% of share holding
001 – 500	6333	94.227	703531	10.601
501 – 1000	195	2.901	144664	2.180
1001 – 2000	74	1.101	108517	1.635
2001 – 3000	37	0. 551	93425	1.408
3001 – 4000	23	0.342	81119	1.222
4001 – 5000	12	0.179	55508	0.836
5001 – 10000	27	0.402	189672	2.858
10001 – above	20	0.298	5259786	79.259
	6721	**100.00**	**6636222**	**100.00**

13(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2017:

The category wise share holding of Members of the Company as on 31.03.2017 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	169381	2.552
3- Financial Institution / Bank	0	0.000
4- Mutual Fund	20	0.000
5- Trust	1072000	16.154
6- Non resident Indian/OCB	8844	0.133
7- Clearing Member	139782	2.106
8- Employee	1890	0.028
9- Director`s relative	6709	0.101
10- Indian Public	1401404	21.117
Total -	**6636222**	**100.00**

13(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, 2017 total number of 6075233 equity shares representing 91.55 % of the Equity Share Capital have been dematerialized. However out of total 6721 shareholders, 2947 shareholders (43.85%) have dematerialized their shares.

13 (vi) STOCK MARKET DATA:

Period (Apr 2016 to Mar 2017)

	BSE				**NSE**		
Month	High Price	Low Price	No. of Shares		High Price	Low Price	No. of Shares
Apr 16	50.00	42.20	7145		49.20	42.55	18811
May 16	50.50	40.05	22292		50.65	40.55	32118
Jun 16	43.00	38.00	19886		45.80	35.60	36345
July 16	48.50	39.20	46326		47.80	39.70	38034
Aug 16	45.00	38.70	21634		43.90	38.70	20861
Sep 16	45.00	39.00	20294		43.85	39.65	14862
Oct 16	61.45	40.25	80827		60.80	41.50	260605
Nov 16	51.40	37.50	56969		49.50	39.00	66033
Dec 16	64.60	42.25	395476		64.45	43.10	853881
Jan 17	74.30	55.85	796791		74.30	55.55	1018248
Feb 17	102.45	60.00	604458		102.30	60.00	1712767
Mar 17	98.30	72.55	158749		96.75	75.15	375801

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

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

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

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

14. CEO / CFO CERTIFICATION:

CEO / CFO Certificate in Compliance of Listing Agreement is enclosed in respect of the financial year 2016-2017.

For BANARAS BEADS LTD.

Sd/-

Place : VARANASI
Date : 25. 05. 2017

(Ashok Kumar Gupta)
Chairman & Managing Director

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

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

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary as on March 31, 2017.

For Banaras Beads Limited

Sd/-

(Siddharth Gupta)
CEO & Managing Director

CEO/ CFO CERTIFICATE

To,
The Board of Directors,
Banaras Beads Limited
Varanasi

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

1. We have reviewed the Balance Sheet and Profit and loss account and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Director's report.

2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statement made.

3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.

4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :

(a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made know to us by others within those entities, particularly during the period in which this report is being prepared.

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).

(c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.

(d) Disclosure in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal over financial reporting.

6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :

(a) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

(b) There were no significant changes in internal controls during the year covered by this report.

(c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

(d) There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.

8. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to *whistleblowers* from unfair terminations and other unfair or prejudicial employment practices.

9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

	For BANARAS BEADS LTD.	For BANARAS BEADS LTD.
	Sd/-	Sd/-
Place : VARANASI	**(Siddharth Gupta)**	**(Jai Singh)**
Date : 25. 05. 2017	**CEO & Managing Director**	**Chief Finance Officer**

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Banaras Beads Ltd.

1. We have examined the compliance of conditions of Corporate Governance by **Banaras Beads Limited** (“the Company”), for the year ended on March 31, 2017, as stipulated in:

   a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.

   b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2016 to September 1, 2016.

   c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2016 to March 31, 2017 and

   d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2016 to March 31, 2017.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2017.

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

For Kamal Kishore & Co.
Chartered Accountants

Sd/-

Place : VARANASI.
Date : 25. 05. 2017

(Kamal Kishore Srivastava)
Partner M. No. 071639

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company : L01131UP1980PLC004984

1. **Name of the Company** : Banaras Beads Limited
2. **Registered address** : A-1, Industrial Estate, Varanasi-221106
3. **Website** : www.banarasbead.com, OR www.bblinvestor.com
4. **E-mail id** : info@banarasbead.com OR rksingh@banarasbead.com
5. **Financial Year reported** : April 1, 2016 to March 31, 2017
6. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

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

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

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

   As per clause 6 stated above

8. **Total number of locations where business activity is undertaken by the Company**

   i. **Number of International Locations (Provide details of major 5) :** No International location

   ii. **Number of National Locations**

   Number of National Locations: 1 (Varanasi)

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

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 661.38 Lacs.
2. **Total Turnover (INR)** : 2569.27 Lacs.
3. **Total profit after taxes (INR)** : 166.89 Lacs.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** :Nil (The company is in process of taking social improvement projects and applicable amount will be utilised during the financial year 2017-18)
5. **List of activities in which expenditure in 4 above has been incurred**:- N.A.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies.

- DIN Number - 0016661
- Name - Shri Siddharth Gupta
- Designation – CEO & Managing Director

b) Details of the BR head.

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

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

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

P1 Business should conduct and govern themselves with ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees
P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5 Businesses should respect and promote human rights
P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible Manner
P8 Businesses should support inclusive growth and equitable development
P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	N	-	Y	N	Y	Y	-	-	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	-	-	Y	-	Y	-	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6.	Indicate the link for the policy to be viewed online?	___								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy have been communicated to internal key stake holders of the company.								
8.	Does the company have in-house structure to implement the policy/policies.	Yes, the company has an in-house structure which is reviewed by the board.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Board of Directors undertakes the responsibility of addressing stakeholder concerns related to the BR policies.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	NO								

2a. **IF ANSWER TO S.NO. 1 AGAINST ANY PRINCIPLE, IS 'NO' PLEASE EXPLAIN WHY: (TICK UP TO OPTIONS)**

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year	Y	Y	Y	Y	Y	Y	Y	Y	
6.	Any other reason (please specify)									

3. **GOVERNANCE RELATED TO BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**: 3 - 6 Month
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** : No

SECTION E: PRINCIPLE-WISE PERFORMANCE.

PRINCIPLE 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? No.**

   Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? : The Company and all associated are covered by this policy.

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

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

   During the year company has received 5 complaints regarding non-receipt of dividend, demat/ transfer of shares and 216 request to revalidate warrants / issue duplicate demand draft(s)/ all complaints / request have been resolved timely.

PRINCIPLE 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**. : The company products are not having any environmental risk and having much opportunities for small Karigars and villagers in cottage industries sector.

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

   i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.**

   ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? : If yes, what percentage of your inputs was sourced sustainably**?

   The Company's motto is to establish long term relationship with its vendors. In addition to techno-commercial aspects, emphasis also laid on factors like safe working conditions, prevention of child labour and general housekeeping.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?** : Yes

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors? :

The Company gives preference to small firms, Karigar, organizations, particulars belonging to villages and schedule tribes. The company provide training to local Karigers for improving their skill and productivity.

6. **Does the company have a mechanism to recycle products and waste?** : Yes

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. : All wastages are either recycle or sold for recycling.

PRINCIPLE 3

1. **Please indicate the Total number of employees including contractor**. 299
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**. 0
3. **Please indicate the Number of permanent women employees**. 139
4. **Please indicate the Number of permanent employees with disabilities:** 10
5. **Do you have an employee association that is recognized by management?** : NO
6. **What percentage of your permanent employees is members of this recognized employee association**? : NA
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**. NIL

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

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   - **Permanent Employees**
   - **Permanent Women Employees**
   - **Casual/Temporary/Contractual Employees** : NIL
   - **Employees with Disabilities** :

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

PRINCIPLE 4

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

PRINCIPLE 5

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

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

PRINCIPLE 6

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

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** : No.
5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc**. : No.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported**? : NA
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** NIL

PRINCIPLE 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**: YES
   a. Federation of Indian Export Origination (FIEO)
   b. Chemical and allied promotion Export Council India (**CAPEXIL**)
   c. Export Promotion Council for Handicrafts (EPCH)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)** : No.

PRINCIPLE 8

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

PRINCIPLE 9

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

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF BANARAS BEADS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Banaras Beads Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note -32 & 33 to the financial statements;

   ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as no amount was due to be transferred during the year.

   vi. The company had provided the requisite disclosure vide note no. 29 in its financial statements as to holdings as well as dealings in specified bank notes during the period from 08.11.2016 to 30.12.2016 and these are in accordance with the books of accounts maintained by the company.

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

Sd/-

Place: VARANASI
Date: 25. 05. 2017

(Kamal Kishore Srivastava)
Partner M. No. 071639

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF BANARAS BEADS LIMITED. ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2017.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2 As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and the discrepancy noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loans to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, and as explained to us the terms and conditions are not prejudicial to the interest of the company and no schedule of repayment has been stipulated however interest has been paid up to 31.3.17.

4. In our opinion an according to the information an explanation given to us, the company has complied with the provision of Section 185 and 186 of the act, with respect to the investment and loan made.

5.

5. The Company has not accepted any deposits from the public.

6. Reporting under clause 3(v) of the order is not applicable as the Company's business activities are not covered by the companies (Cost Records and Audit) Rules, 2014.

7. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has taken only working capital loans from banks and has not defaulted in repayment of dues to the bank. The company does not have any borrowing from financial institution and has not issued debentures.

9. The Company has not raised moneys by way of initial public offer or future public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.

16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

Sd/-

Place: VARANASI — **(Kamal Kishore Srivastava)**
Date : 25. 05. 2017 — **Partner, M. No. 71639**

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT

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

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

We have audited the internal financial controls over financial reporting of Banaras Beads Limited (' the Company') as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls.

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

Auditors' Responsibility

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

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

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

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

Meaning of internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting.

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

Opinion.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Sd/-

Place: VARANASI
Date : 25. 05. 2017

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

Balance Sheet as at 31st March, 2017

Particulars	Note No	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	66138220	66137720
(b) Reserves and Surplus	2	362130676	355709229
(2) Current Liabilities			
(a) Short-term borrowings	3	10960554	50902880
(b) Trade payables	4	8184766	9558556
(c) Other current liabilities	5	20014381	22723638
(d) Short-term provisions	6	18387201	19806625
Total		485815798	524838648
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		126052811	137777751
(ii) Intangible assets		41337	41337
(b) Non-current investments	8	31909954	36661499
(c) Deferred tax assets (net)	9	1521971	2538768
(d) Long term loans and advances	10	0	12901438
(2) Current assets			
(a) Inventories	11	113195895	142499862
(b) Trade receivables	12	7155577	13422515
(c) Cash and cash equivalents	13	126775482	105334953
(d) Short-term loans and advances	14	76951028	71468218
(e) Other current assets	15	2211744	2192307
Total		485815798	524838648

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

For and on behalf of the Board of Directors

For Kamal Kishore & Co.
Chartered Accountants
Sd/-

(K.K. Srivastava)
Partner
Place : VARANASI
Date : 25.05.2017

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

Sd/-
(Ashok Kumar Kapoor)
Independent Director

Sd/-
(Siddharth Gupta)
CEO & Managing Director

Sd/-
(R.K. Singh)
Company Secretary

Sd/-
(Jai Singh)
Chief Finance Officer

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No	Figures as at the end of current reporting period (Amount in Rs.)	Figures as at the end of previous reporting period (Amount in Rs.)
Revenue from operations	16	273246314	247428363
Other Income	17	13194797	15323943
Total Revenue		286441111	262752306
Expenses:			
Cost of materials consumed	18	105163325	119202858
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	39565347	-8163196
Manufacturing Exp	20	21768694	38407542
Employee benefit expense	21	35675203	36075025
Financial costs	22	1537410	6710843
Depreciation and amortization expense	7	21042823	21268271
Other expenses	23	33582610	34321312
Total Expenses		258335412	247822656
Profit before exceptional and extraordinary items and tax		28105699	14929650
Exceptional Items		0	47652258
Profit before extraordinary items and tax		28105699	62581908
Profit before tax		28105699	62581908
Tax expense:			
Current tax		10400000	19100000
Deferred tax		1016797	328322
Profit for the year		16688902	43153586
Earning per equity share of face value of Rs. 10 each :			
Basic & Diluted		2.51	6.50

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

For and on behalf of the Board of Directors

For Kamal Kishore & Co.
Chartered Accountants

Sd/-
(K.K. Srivastava)
Partner

Place: VARANASI.
Date : 25.05.2017

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

Sd/-
(Ashok Kumar Kapoor)
Independent Director

Sd/-
(Siddharth Gupta)
CEO & Managing Director

Sd/-
(R. K. Singh)
Company Secretary

Sd/-
(Jai Singh)
Chief Finance Officer

Cash Flow Statement For the Year Ended 31st March, 20117

	Rs. Current Year		Rs. Previous Year	
(A) Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		28105699		14929650
Adjustment For :-				
Depreciation	21042823		21268271	
Profit/Loss on Sale of Fixed Assets	(26938)		(136379)	
Profit/(Loss) on Sale of Investment	(766787)		(47579)	
Interest/Dividend/ Rent	(11000426)		(14011435)	
Other Non Cash Income/Exp.	0	9248672	(624296)	6448582
		37354371		21378232
Adjustment For :-				
Trade & Other receivables	7001155		(30432073)	
Inventories	29303967		(12806635)	
Trade Payable	(4083047)	32222075	10513685	(32725023)
Cash Generated From Operations		69576446		(11346790)
Interest Paid	683778		4265731	
Direct Taxes	(15423705)	(14739927)	(13385768)	(9120038)
		(14739927)		(9120038)
Cash Flow Before Extraordinary Items		54836519		(20466828)
Extraordinary Items	0	0	47652258	47652258
Net Cash From Operating Activities (A)		54836519		27185430
(B) Cash Flow From Investing Activities :				
Purchase of Fixed Assets	(9345945)		(17989596)	
Sale of Fixed Assets	55000		380000	
Purchase of Investments	(8307932)		(171538935)	
Sale of Investments	13826265		196848227	
Realisation of Long term Advance	0		16215038	
Interest Received	9824915		10949470	
Rent Received	302250		513500	
Dividend Received	873261		2548465	
Net Cash used in investing activities (B)	7227814	7227814	37926169	37926169
(C) Cash Flow From Financing Activities :				
Amount Received against Calls in Arrear	2300		158050	
Proceeds from Short term borrowings	(39942326)		(98540519)	
Dividend & Interest Paid	(683778)		(31260472)	
Net Cash used in financiang activities (C)	(40623804)	(40623804)	(129642941)	(129642941)
TOTAL (A+B+ C)		21440528		(64531342)
Net Increase/Descrease in Cash & cash Equivalents		21440528		(64531342)
Cash & cash Equivalents As at 01.04.2016		105334953		169866295
Cash & cash Equivalents As at 31.03.2017		126775482		105334953

As per our report of even date
For Kamal Kishore & Co
Chartered Accountants

Sd/-
(K.K. Srivastava)
Partner

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

Sd/-
(Siddharth Gupta)
CEO & Managing Director

Sd/-
(Ashok Kumar Kapoor)
Independent Director

Sd/-
(R.K. Singh)
Company Secretary

Sd/-
(Jai Singh)
Chief Finance Officer

Place : VARANASI.
Date : 25.05.2017

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

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

2. **FIXED ASSETS**:-
Fixed Assets are stated at cost of acquisition less depreciation.

3. **DEPRECIATION**:-

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

4. **INVESTMENTS**:

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

5. INVENTORIES:

Basis of valuation

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

6. **FOREIGN CURRENCY TRANSACTIONS:**

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

7. RETIREMENT BENEFITS:

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

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

(iii) The leave salary payable in respect of encashable leave is provided for according to the service rule of the Company. Unavailed leave, which is not encashable during the continuance of service is not provided for.

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

Duty Credit Script under Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorisation Incentive Script Schemes are normally consumed in payments of custom duty against imports made. Entries for such consumption is made in respective purchase account on the amount of custom duty adjusted. Entries for scripts transferred are accounted for on realised value. Duty Credit Script under Merchandise Export incentive Scheme/Export promotion Capital Goods/ Advance Authorisation Incentive Script Schemes receivable at the end of accounting year is accounted on estimated realizable value.

9. **CONTINGENT LIABILITIES:**

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

10. **SALES:**

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

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

NOTES TO ACCOUNTS	NOTE No.	Figures as at the end of current reporting period (Amount in Rs.)		Figures as at the end of previous reporting period (Amount in Rs.)	
1. SHARE CAPITAL	1				
AUTHORISED CAPITAL					
Authorised					
1,20,00,000 Equity Share of Rs. 10/- Each		**120000000**		**120000000**	
ISSUED SUBSCRIBED & FULLY PAID UP SHARE CAPITAL					
6636222 Equity Shares of Rs. 10/- Each Fully paid -up		66362220		66362220	
Less: Unpaid Calls		224000		224500	
Total		**66138220**		**66137720**	
LIST OF SHAREHOLDERS					
Shareholders holding more than 5% shares		No. of Shares	(%)	No. of Shares	(%)
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)
2. RESERVE AND SURPLUS	2				
A. GENERAL RESERVE					
Opening Balance.		15850000		14350000	
Transferred During the Year		1500000		1500000	
Sub Total		**17350000**		**15850000**	
B. Securities Premium Reserve		224765500		224765500	
Less : Unpaid Calls		1603900		1605700	
Sub Total		**223161600**		**223159800**	
C. SURPLUS OF PROFIT & LOSS					
Balance as per Last Account		116699429		95098246	
Net Profit After Tax		16688902		43153586	
Less: Transferred to General reserve		1500000		1500000	
Less: Dividend Payable(@ Rs.1.00 per share,)Previous Year @ Rs. 2.50 Per share.		6636222		16590555	
Tax on Dividend		1350979		3398028	
Taxes of Earlier Years		2282054		63820	
Sub Total		**121619076**		**116699429**	
Total		**362130676**		**355709229**	

3.SHORT TERM BORROWINGS	**3**		
Secured Loans from Bank			
a)Yes Bank Packing Credit Foreign Currency Loan		10960554	30797000
(Secured against Fixed Deposits of the Bank)			
Yes Bank Over Draft a/c			
(Secured against Fixed Deposits of the Bank)		0	20105880
Total		**10960554**	**50902880**

4. TRADE PAYABLE	**4**		
Trade Payable		8184766	9558556
Total		**8184766**	**9558556**

5. OTHER CURRENT LIABILITIES	**5**		
Advance from Customers		9803333	10289029
Other Liabilities		4786190	5943417
Unclaimed Dividend		5424858	6491192
Total		**20014381**	**22723638**

6 SHORT TERM PROVISIONS	**6**		
Provisions for Income Tax & Dividend Tax		11750979	19806625
Provision for Proposed Dividend		6636222	0
Total		**18387201**	**19806625**

SCHEDULE OF FIXED ASSETS AS ON 313.2017

7. F IXED ASSETS AND DEPRECIATION :

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OP. BALANCE AS ON 01.04.2016	ADDITION	DEDUCTION	TOTAL	UPTO 31.03.2016	DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL	AS ON 31.03.2017	AS ON 31.03.2016
TANGIBLE ASSETS										
LAND	3501276			3501276	0	0		0	3501276	3501276
FACTORY BUILDING	120705627	8010795		128716422	49125775	6802168		55927943	72788479	71579852
FURNITURE AND FIXTURES	11513493	45543		11559036	9762468	505803		10268271	1290765	1751025
PLANT AND MACHINERY	76495494	913015		77408509.00	39354425	6978966		46333391	31075118	37141069
ELECTRICAL EQUIPMENTS	25144874	94940		25239814	10775514	3782469		14557983	10681831	14369360
OFFICE EQUIPMENTS	847640	13300		860940	802542	10112		812654	48286	45098
VEHICLES	21463341	0	229114.00	21234227	16803920	1593608	201052.00	18196476	3037751	4659421
COMPUTER	6388468	31600		6420068	5082013	683186		5765199	654869	1306455
FURNACES	1708349	0		1708349	1673863	0		1673863	34486	34486
MOBILE PHONE	98859	236752		335611	58614	80259		138873	196738	40245
EFFLEUNT TREATMENT DISPOSAL SYSTEM	4091728	0		4091728	742264	606252		1348516	2743212	3349464
Sub Total	271959149	9345945	229114	281075980	134181398	21042823	201052	155023169	126052811	137777751
INTANGIBLE ASSETS										
SOFTWARE	826747			826747	785410	0		785410	41337	41337
Sub Total	826747	0	0	826747	785410	0	0	785410	41337	41337
CAPITAL WORK IN PROGRESS										
W-I-P	0	0	0	0		0		0	0	0
Sub Total	0	0	0	0	0	0	0	0	0	0
TOTAL	272785896	9345945	229114	281902727	134966808	21042823	201052	155808579	126094148	137819088
PREVIOUS YEAR	256293156	17989596	1496856	272785896	114951772	21268271	1253235	134966808	137819088	141341384

ANNEXURE TO NOTE -8

NON-CURRENT INVESTMENTS	No.of shares	Face Value	CURRENT YEAR	PREVIOUS YEAR
In Equity Shares - UnQuoted				
A.INVESTMENT IN ASSOCIATES				
BBL Beads Ltd-Share	87500	10.00	875000	875000
Banaras Bead Business Pvt Ltd. (Previous Year 59300 Shares)	50000	100.00	30000000	35580000
B.INVESTMENT IN OTHERS				
India Exposition Mart Ltd.	9343	10.00	93430	93430
(I) In Equity Shares - Quoted				
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
GHCL Ltd.	2000	10.00	570696	0
ICICI Bank Ltd	1000	2.00	257759	0
Total			31909954	36661499

Aggregate Cost of Quoted Investment-
(Rs 941524, Previous Year 113069)

(Market value Rs 896433 Previous Year Rs 87972)

Aggregate Cost of Un-Quoted Investment-
(Rs 30968430 , Previous Year 36548430)

NOTES TO ACCOUNTS	NOTE	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	**9**		
Related to Fixed Assets		1521971	2538768
Deferred Tax Assets		**1521971**	**2538768**
10 LONG TERM LOANS & ADVANCES	**10**		
Advance against Purchase of Land/Building		0	12901438
Other Advance			
(UNSECURED, CONSIDERED GOODS BY MANAGEMENT)			
Total		**0**	**12901438**
CURRENT ASSETS			
11.INVENTORIES (As Taken , Valued as per policy stated in point 5 of Accounting policies and Certified by the Management,)	**11**		
Raw Material		52149948	40880969
Finished Goods		51502911	91515558
Export Merchandise in Transit		3973957	3526657
Packing Material		3309068	3927655
Stores & Spares		2260010	2649023
Total		**113195895**	**142499862**
12.TRADE RECEIVABLES			
Unsecured, Considered Good by the Management	**12**		
Outstanding over Six Months		1698713	1727075
Other Debts		5456864	11695440
Total		**7155577**	**13422515**
13.CASH & CASH EQUIVALENTS	**13**		
WITH SCHEDULED BANKS			
In Current Accounts		23009663	1628438
In Fixed Deposit Account		97890672	96002777
Earmarked Balance With Bank (For Unpaid Dividend)		5424858	6491192
Cash in Hand (As certified by the management)		441852	1173787
Postage Imprest		8438	38759
Total		**126775482**	**105334953**
14.SHORT-TERM LOANS AND ADVANCES	**14**		
Unsecured, Considered Good by the Management	**14(a)**		
(Recoverable in Cash or in Kind or value to be received)			
Advance to Suppliers & Other		2261719	6519265
Advance Payment for Taxes		10491345	25050705
Export Incentive Receivables		7675838	9230671
Loan to Others		54927771	29104548
Unsecured, Considered Doubtful by the Management	**14 (b)**		
Advance to Suppliers & Other		1594355	1563028
Total		**76951028**	**71468218**

15.OTHER CURRENT ASSETS	**15**		
Security And Other Deposit		1046767	1038767
Prepaid Expenses		1164977	1153540
Total		**2211744**	**2192307**
16.REVENUE FROM OPERATIONS	**16**		
SALES OF PRODUCTS			
Export Sales		197495016	204767195
Domestic Sales		59431964	28788373
Sub Total		**256926980**	**233555568**
OTHER OPERATING REVENUE			
Focus /VKUY License Transfer		8557345	7959381
Export Incentive & Other Benefits		4137625	4470592
Exchange Rate Difference/Forward Contract Income		3624364	1442823
Sub Total		**16319334**	**13872796**
Total		**273246314**	**247428363**
17. OTHER INCOME	**17**		
Interest Income		9824915	10949470
Dividend		873261	2548465
Net Gain on Sale of Investment		766787	47579
Profit on sale of fixed Assets		26938	136379
Rent		302250	513500
Sundry balance W/Back		0	624295
Interest on Refund of Income Tax		1308976	0
Misc.Other Income		91670	504254
Total		**13194797**	**15323943**
18.COST OF MATERIAL CONSUMED	**18**		
OPENING STOCK			
Raw Material		40880969	34658979
Stores & Consumables		2649023	1807434
Packing Material		3927655	6347796
Sub Total		**47457647**	**42814208**
PURCHASES			
Raw Material		17897884	21235663
Semi Finished Goods		83904647	87552246
Packing Material		7508736	8170267
Stores & Consumables		6113438	6888120
Sub Total		**115424705**	**123846296**

CLOSING STOCK			
Raw Material		52149948	40880969
Stores & Consumables		2260010	2649023
Packing Materials		3309068	3927655
Sub Total		**57719026**	**47457647**
Cost of Material Consumed		**105163325**	**119202858**
19.Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19		
OPENING STOCK			
Finished / Semi Finished Goods		91515558	82363998
Export Merchadise in Transit		3526657	4515020
Sub Total		**95042215**	**86879019**
CLOSING STOCK			
Finished / Semi Finished Goods		51502911	91515558
Export Merchandise in Transit		3973957	3526657
Sub Total		**55476868**	**95042215**
(Increase)/Decrease		**39565347**	**-8163196**
20.MANUFACTURING EXPENSES	20		
Bead & Handicraft Manufacturing & Finishing Expenses		13905884	28646343
Power & Fuel		5662512	5472220
Freight,Custom Duty & Clearing Exp		2200298	4288979
Sub Total		**21768694**	**38407542**
21.EMPLOYEE BENEFIT EXPENSE	21		
Salaries & Wages		26908915	27363646
Bonus to Employees		2184792	3158798
Providend Fund & ESI		3416709	3295102
EDLI, Training and Gratuity		2442288	1627817
Staff Welfare Expenses		722499	629662
Total		**35675203**	**36075025**
22. FINANCIAL COST	22		
Interest paid to bank		683778	4265731
Exchange Rate Difference on Foreign Currency Loan		0	1606844
Bank Charges		853631	838269
Total		**1537410**	**6710843**
23.OTHER EXPENSES	23		
EXPORT & SELLING EXPENSES			
Foreign Travelling Expenses		8465684	5861124
Export / Local Freight & Shipping Expenses		8734236	7738160
Trade Fair exp		1813448	3526736
Local Travelling Expenses		1060285	852216
Other Selling Expenses		624252	1460653
Sub Total		**20697905**	**19438890**

REPAIR & MAINTENANCE

Building	1149253	2603542
Machinery	1761637	3261094
Vehicle & Others	2208332	1706661
Sub Total	**5119222**	**7571297**
ADMINISTARTIVE EXPENSES		
Insurance	1370742	1094892
License & Fees	172519	94005
Membership & Subscription	62148	22714
Communication Charges	522685	602201
Conveyance Charges	33973	28004
Printing & Stationery	538423	728848
Professional & Legal Expenses	918111	1699651
Share Listing, Depository & Registrar Exp	752388	653721
Vehicle Running & Maintenance	732416	731415
Sundry Balances Written Off	1294661	0
Director Sitting Fees	46000	46000
Postage exp	183426	133667
Others	957462	1275557
Payment to Auditor		
As Auditor	86250	85875
For Tax/VAT Audit Fees	23000	22850
For Income Tax Related Services Fees	18380	41045
For Certification / Quarterly Review Fees	52900	50681
Sub Total	**7765483**	**7311125**
Total	**33582610**	**34321312**

24. RAW MATERIALS CONSUMED

	CURRENT YEAR Rs. In lacs	PREVIOUS YEAR Rs. In lacs
Glass & Raw Beads	6628905	15013673
Misc Raw Handicraft , Fabric & Other Materials	83904647	87552246
Store	6502450	6046531
Packing	8127323	10590408
Total	105163325	119202858

COMPOSITION OF MATERIAL CONSUMED

	CURRENT YEAR		PREVIOUS YEAR	
	%	VALUE Rs. In Lacs	%	VALUE Rs. In Lacs
Indigenous	90.76%	95445578	85.29%	101665731
Imported	9.24%	9717748	14.71%	17537127
	100.00	**105163325**	**100.00**	**119202858**

25. 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)

26. Related Party Disclosures:

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

Details of Transactions:

RELATED PARTY TRANSACTION DETAILS 2016-17

Sl. No.	NAME	Nature of Relation	Nature of Transaction	Value of Transaction entered during the year	Amount of Outstanding Items as on Balance Sheet
1	Directors (Executive)				
	Ashok Kumar Gupta	Director(Executive)	Remuneration	1200000	0
	Siddharth Gupta	Director(Executive)	Remuneration including P.F.& LTC	1666560	0
	Shalini Chandra	Director(Executive)	Remuneration including P.F.	672000	0
2	Independent Directors				
	Ashok Kumar Kapoor	Independent Director	Sitting Fees	17000	0
	Praveen Singh	Independent Director	Sitting Fees	12000	0
	Tanmay Deva	Independent Director	Sitting Fees	17000	0
3	Banaras Beads Exports Ltd		Sales	8958600	0
			Purchase	3087500	0
			Sales of Share	5626500	0
			Temporary Loan	16000000	10868144
4	Banaras Glass Beads Limited		Sales	6488020	0
			Purchase	9253728	0
5	Mathur Vaishya Jan Kalyan trust		Expenses	74691	0
6	BBL Beads Limited		Share Purchase	Nil	875000
			Rent Security	Nil	450000
7	Mangalam Hospitality India Limited			Nil	0
8	R.K. Impex Pvt Limited			Nil	0
9	Nandi Export Pvt. Ltd			Nil	0
10	Banaras Beads Business P. Ltd			Nil	Nil
11	Taurus Construction Pvt. Ltd.			Nil	Nil
12	Omini Marketing Pvt. Ltd.			Nil	Nil
13	Industrial Auto Mobiles & Fuels Ltd.		Expenses	43369	Nil
14	Kandoi & Gupta Finanace and Investment co.(P) Limited			Nil	Nil
15	Ram Gulam Kanhaiya Lal Charitable trust			Nil	Nil

27. 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.

		2016-2017	2015-2016
Net Profit attributable to shareholders (Rs.)	:	16688902	43153586
Weighted average numbers of equity shares	:	6636222	6636222
Basic earnings per share of Rs. 10/- each (Rs.)	:	2.51	6.50

28. Remuneration to Directors and Key Managerial Personnel :

	Current Year (Rs.)	Previous Year (Rs.)
A. Chairman & Director (Ashok Kumar Gupta)		
Salaries	1200000	0
Contribution to Provident Fund	0	0
B CEO & Managing Director (Siddharth Gupta)		
Salaries	1488000	1488000
Contribution to Provident Fund	178560	178560
Leave Travel Concession		103091
C. Executive Director (Shalini Chandra)		
Salaries	600000	600000
Contribution to Provident Fund	72000	72000
D. Chief Finance Officer (Jai Singh)		
Salaries	402000	378000
Contribution to Provident Fund	48240	45360
E. Company secretary (R.K. Singh)		
Salaries & Allowances	666200	627600
Contribution to Provident Fund	69024	64512

29. Details of Specified Bank Notes held and transacted- (in Rs.)

	SBNs	Other Denomination Noted	Total
Closing Cash in hand as on 08.11.2016	604000	125206	729206
(+) Permitted receipt	0	3112673	3112673
(-) Permitted payment	604000	2727041	3331041
(-) Amount deposited in bank	0	0	0
Closing cash in hand as 30.12.2016	0	510838	510838

30. Amount of closing balance as per bank in dedicated dividend payable account has been taken as unclaimed dividend of Rs.54,24,858. The amount does not include amount of demand drafts issued but not encashed by the share holders till 31.03.2017.

31. Rs.15,94,355 paid to suppliers as advance has been shown as doubtful assets. No provision against the outstanding is made as in the opinion of the management, amount will be recovered in full.

32. 2.51 Hectare land of the company situated at Village Karna dandi and Bairion, near Tadia, Varanasi have been acquired by Varanasi Development Authorities in Transport Nagar Scheme and the company has challenged the Acquision order before Hon'able Allahabad High Court and Status Quo has been ordered by the Hon'able High Court. The company is still in possession of the land.

33. SETTLEMENT OF MANAGEMENT DISPUTES:

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

34. NOTING RELATED TO DEPRECIATION

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

C. MISCELLANEOUS NOTES ON ACCOUNTS:

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

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

3. The Management has conducted physical verification of stocks at reasonable intervals and discrepancies noticed on such verification have been properly dealt with as per Accounting Standards-2 pertaining to valuation of inventories issued by the Ministry of Corporate Affairs.

4. There is an adequate internal control procedure and internal audit system commensurate with the size of the company and the nature of its business. The Directors have been making consistent efforts to improve such procedures and systems keeping in view the needs of business and experience gained.

5. Balance of Sundry Debtors, Creditors and Loans and Advances shown in the accounts are subject to confirmation by the parties concern.

6. In the opinion of the Directors, Currents Assets, and Loans and Advances are approximately of the value, which, if realised, in the ordinary course of business, will not be less than the figure stated in the books of accounts.

7. The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax Customs Duty, Excise Duty, Cess and any other statutory dues, where applicable with the appropriate authorities.

8. The Calls in arrears of Share Capital amounting to Rs.224000 and of Share Premium amounting to Rs. 1603900/- are outstanding since long. None of these amounts relate to the directors or their relatives. The Management has decided not to forfeit such shares for the time being.

9. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable with the figures of the current year.

ICRA

ICRA SME Rating

Banaras Beads Limited, Varanasi

has been assigned an ICRA SME rating of

ICRA SME 3

on August 11, 2016

This rating indicates "The Adequate-Credit Quality"
this rating is valid till August 10, 2017

Gurgaon
August, 2016

Vivek Mathur
Executive Vice President

BANARAS BEADS LIMITED
REGISTERED OFFICE: A-1, INDUSTRIAL ESTATE VARANASI - 221 106
CIN NO. L01131UP1980PLC004984
Tel.# : 0542-2370161-2370164 Fax.# : 0542-2370165
E-mail rksingh@banarasbead.com, Website: www. banarasbead.com

ATTENDANCE SLIP
(To be presented at the entrance)

37th ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 28, 2017 AT 3.00 P.M. At **A-1, INDUSTRIAL ESTATE, VARANASI - 221 106**

Folio No. ______________ DP ID No. ______________ Client ID No. ______________

Name of the Member______________________________ Signature ______________

Name of the Proxyholder______________________________ Signature______________

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

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

BANARAS BEADS LIMITED
REGISTERED OFFICE : A-1, INDUSTRIAL ESTATE VARANASI - 221 106
CIN NO. L01131UP1980PLC004984
Tel.# : 0542-2370161-2370164 Fax.# : 0542-2370165
E-mail rksingh@banarasbead.com, Website: www. banarasbead.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ....

Registered address : ....

E-mail Id : ....

Folio No. / Client ID No. : .... DP ID No. ....

I / We, being the member(s) of ……….............…. Shares of Banaras Beads Limited, hereby appoint

1. Name: ………………………........................ E-mail Id: ....

Address: ....

.... Signature: …………..........................

or failing him

2. Name: ………………………........................ E-mail Id: ....

Address: ....

.... Signature: …………..........................

or failing him

3. Name: ………………………........................ E-mail Id: ....

Address: ....

.... Signature: …………..........................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the thirty six Annual General Meeting of the Company to be held on Thursday, September 28, 2017 at 3.00 p.m. at A-1, Industrial Estate, Varanasi-221106 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To declared Dividend of Rs. 1.00 per equity share for the F.Y. 2016-2017.

3. To appoint a director in place of Smt. Shalini Chandra (DIN: 01036394), who retires by rotation and being eligible, offers herself for re-appointment as director.
4. Appointment of Auditors.

Affix One Rupee Revenue Stamp

Signed this ……… day of ………………. 2017

Signature of shareholder.................................... Signature of Proxy holder(s)....................................

NOTES: **1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at A-1, Industrial Estate, Varanasi -221106, not less than 48 hours before the commencement of the Meeting.**
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

BOOK-POST

To,

If undelivered please return to :

BANARAS BEADS LIMITED
(AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA)

A-I, Industrial Estate, Varanasi - 221106 (U.P.) India
Phones : 0542-2370161-64 (4 Lines)