

29TH ANNUAL REPORT

2008-2009

BBL



ESTD. 1940



BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA

Regd. &	: A-1, Industrial Estate,
Head Office	: Varanasi - 221106 (INDIA)
Phones	: +91-542-2370161-4 (4 Lines)
Fax	: +91-542-2370165, 2370214
E-mail	: info@banarasbead.com
Website	: www.banarasbead.com

**BOARD OF DIRECTORS**

Mr. Ashok Kumar Gupta : Chairman & Managing Director
 Mr. Ashok Kumar Kapoor : Independent Director
 Mr. Praveen Singh : Independent Director
 Mr. Tanmay Deva : Independent Director

REGISTERED OFFICE

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

AUDITORS

Kamal Kishore & Co.,
 Chartered Accountants,
 Varanasi

UNITS

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

BANKERS

Bank of Baroda
 Kotak Mahindra Bank

REGISTRAR & SHARE TRANSFER AGENTS

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

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**NOTICE**

NOTICE is hereby given that 29th 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 27th August, 2009 at 3.00 P.M. to transact the following **Business**:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Tanmay Deva, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General meeting, until the conclusion of the next annual General Meeting and to fix their remuneration.

Special Business:**4. Re-appointment of Managing Director and fixation of remuneration.**

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

RESOLVED THAT in compliance of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 and under provisions of the Articles of Association of the Company, the Shareholders be and are hereby approve re-appointment of Shri Ashok Kumar Gupta as the Managing Director of the Company for the further period of five years, w.e.f. 1st April' 2009, on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

By Order of the Board of Directors
For **BANARAS BEADS LIMITED**,
Sd/-
(R.K.SINGH)
Company Secretary

Place : VARANASI
Date : 28. 07. 2009

NOTES:

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

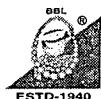
The proxy form duly completed and signed must be deposited with the Company at its Registered Office not later than forty-eight hours before the time of commencement of the meeting.

2. The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 14th August, 2009 to Thursday, the 27th August, 2009 (both days inclusive).
3. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
4. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip and proxy form for attending the Meeting.
5. The Company entered into agreements National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for Dematerialisation of equity shares of the Company, after introduction of depository System. **The INE number of the company is 655B01011.**

The Members, who have not dematerialised their holdings, have liberty to dematerialize their shares in the Company through a recognized Depository participant, by forwarding their request to the company or REGISTRAR, **M/s Mas Services Limited** T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83 Fax:- 26387384 email:- info@masserv.com website : www.masserv.com.

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

Name	: Shri Tanmay Deva
Fathers name	: Shri Diptiman Deva
Date of Birth	: 21.07.1971
Nationality	: Indian
Qualifications	: Graduate from Delhi University.
Date of appointment on the board	: 01.10. 2000



Banaras Beads Ltd.

29th Annual Report

List of directorship held in other Company(s)

M/s Nandi Exports (P) Limited

Chairmanship/membership of Committees in Public Companies

- i) Member Investor Grievance Committee of Banaras Beads Ltd.
- ii) Member Shareholders/Audit Committee of Banaras Beads Ltd.

EXPERIENCE:

Mr. Deva is having experience in Carpet, Handicrafts and other related items business, more than 20 years.

EXPLANATORY STATEMENT:**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956, IN THE RESPECT OF ITEM NO.4 OF AGENDA.**

1. At the Annual General Meeting of the Company held on 31st December 2003, the Members had approved re-appointment of Shri Ashok Kumar Gupta as the Managing Director of the Company w.e.f. 1st April 2004 for a further period of five years with monthly Salary of Rs.50000/- alongwith perquisites, allowances and terms and conditions as set out in Explanatory Statement annexed to the Notice of the Annual General Meeting. Thereafter in accordance with the Provision of Section 269 and others of Companies Act, 1956, the Board of Directors in their meeting held on 30th April 2009, have re-appointed to Shri Ashok Kumar Gupta as the Managing Director of the company for further period of five years w.e.f. 1st April 2009 to 31st March 2014, subject to approval of the members.

The main terms and conditions of the re-appointment of Shri Ashok Kumar Gupta, as Managing Director are as under.

- 1) As Managing Director he shall be responsible for the conduct and Management of the whole of the business of the Company.
- 2) As the Managing Director he shall be entitled to the following remuneration and perquisites -

i) SALARY:

A salary of Rs. 1,25,000/= (Rupees one lac twenty five thousands only) per month.

ii) PERQUISITES:

In addition to the above, the Managing Director shall be entitled to the following perquisites specified in categories "A" and "B".

CATEGORY "A"**Encashment of Leave:**

Encashment of leave at the end of the tenure.

CATEGORY "B"

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

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

- 3) All personal use of company's Car and Telephone shall be billed by the company to the Managing Director.

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

Name : Shri Ashok Kumar Gupta
 Father's Name : Late Shri Kanhaiyalal Gupta
 Date of birth : July 7, 1948

Qualification & Experience:

Mr. Gupta is Science Graduate from Banaras Hindu University. Mr. Gupta possess the experience of more than 40 years in the business of Glass Beads, handicrafts, imitation Jewelry, necklace, carpets and other related items. He has traveled worldwide extensively in business capacity. He is director of the company since incorporation and has also been associated with various charitable institutions including Managing Trustee of Ram Gulam Kanhaiya Lal Charitable Trust.

DIRECTORSHIP OF OTHER COMPANIES:

- i. M/s BBL Beads Limited.
- ii. M/S Banaras Beads Leasing & Finance (P) Ltd.
- iii. M/s Mangalam Hospitality India Limited.

Mr. Gupta is not a Member of any committee of the companies other than Banaras Beads Limited.

3. Shri Ashok Kumar Gupta is directly interested in Item No. 4 of Notice, as it pertain to his re-appointment.

By Order of the Board of Directors
For BANARAS BEADS LIMITED,
 Sd/-
(R.K.SINGH)
 Company Secretary

Place : VARANASI
 Date : 28.07.2009

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Reports together with the Audited Accounts of the Company for the year ended on 31st March 2009.

FINANCIAL RESULTS:

	2008-2009	2007-2008
	(Rs. in lacs)	(Rs. in lacs)
TOTAL TURNOVER	2350.18	1609.25
Net Profit Before Taxation	324.44	-616.08
Provision for Taxation (Income Tax & Fringe Benefit tax)	2.05	2.20
Net Profit after taxation	322.39	-618.27
Excess Provision of Taxation written back	0.40	4.03
Balance of Profit & Loss Account B/F	-386.78	16.89
Deferred Tax Adjustment	-28.05	210.58
Balance of Profit & Loss Account C/F	-92.03	-386.78

APPROPRIATIONS:

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

DIRECTORS RESPONSIBILITY STATEMENT:

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

- that in preparation of Annual Accounts for the F.Y. ended on 31.03.2009, the applicable accounting standards have been followed;
- that the directors selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss Accounts of the Company.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- That the Directors have prepared the Annual Accounts on a "going concern" basis.

OPERATION:

During the year the turnover of the Company has been increased by 46.22%. The World wide recession is still going on besides that Company able to increase the turnover.

DIVIDENDS:

Due to inadequate profit during the year, no dividend has been recommended for the year.

SETTLEMENT OF MANAGEMENT DISPUTES:

As already reported earlier 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 communicated to the Shareholders as part of Annual Report forming part of published Accounts for the F.Y.2006-2007. In implementation of the above orders, the Company had paid Rs. 1 Crore to Sri Raj Kumar Gupta on 10.07.2007 and 3116502 Equity Shares held by his Group in the Company had been cancelled on 10.7.2007. The paid up Share Capital stands reduced to Rs. 66129720 upon cancellation of the said Shares. The required Form 21 and other information pertaining to reduction of Capital was filed with the Registrar of Companies on 11th July, 2007.

The Company has also closed the Delhi Branch and its controlled Units w.e.f. 05.09.2007. In this regard Notices were published in news papers on 10th September, 2007 and concerned Departments / Authorities / banks etc. were appropriately informed simultaneously. W.e.f. 05.09.2007, all the employees of the Delhi Office have become the employees of Sri Raj Kumar Gupta with continuity of service on same terms and conditions and all benefits including accrued benefits. Sri Raj Kumar Gupta has ceased from Directorship of the Company w.e.f. 05.09.2007. The required Form 32 was filed with ROC on 11th September, 2007. All Assets and Liabilities pertaining to Delhi Office and its controlled branches stand transferred in the name of Sri Raj Kumar Gupta w.e.f. 05.09.2007. Sri Raj Kumar Gupta had been advised by the company to get completed the required legal formalities in this regard.

The appeals filed by Sri Ajit Kumar Gupta and Prashant Glass Works Pvt. Ltd. two of the Petitioners, challenging the orders of CLB before the Hon'ble Allahabad High Court stand dismissed vide order dated 11.9.2007. They have filed Special Leave Petition before Hon'ble Supreme Court, the Hon'ble Supreme Court vide its interim order dated 11.01.2008 has directed the parties to maintain Status as of that date. The counter and rejoinder have been filed by the parties and matter is still pending before Hon'ble Supreme Court for appropriate order.

DIRECTORS:

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

**RE-APPOINTMENT OF AUDITORS:**

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

PARTICULARS OF EMPLOYEES:

The company did not have any employee covered by the provisions of Section 217(2A) of the Companies Act' 1956, read with Companies (Particulars of Employee) Rules 1975 for F.Y. 2008-09.

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

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

a) Conservation of Energy :

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

b) Technological Absorption:

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

c) Foreign Exchange Earning and Outgo:

The foreign exchange earnings of the Company during the financial year has been Rs 2120.41 lacs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs.287.37 lacs for the import of materials, foreign traveling expenses and other sales promotional activities.

CORPORATE GOVERNANCE:

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

FIXED DEPOSITS :

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

ACKNOWLEDGMENT:

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

Place : VARANASI

Date : 28. 07. 2009

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

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



MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The main business of the Company is manufacturing and Export of handicrafts like Glass Beads, Necklaces etc. During the year to increase the turnover Company has decided to enter into Retail Business under the Trade name and style De-Lemon to Sale Company's products through Retail Counters, Shop, Stores, Franchise and in any other mode in India and abroad. In this connection company is in process to open retail counter/ shops all over India under arrangement / agreement with various local parties and Retail Stores like Total Retail, Mega Mart, Spencer's, Verizon Plus etc.

OPPORTUNITIES & THREATS:

During the last three – four years following factors have adversely affected the business and profit margins:

- a) Great recession in the international market, which still prevails.
- b) China has picked up much share in international market due to their unbelievable low pricing patterns. Thus not only competition has increased but also the Company is forced to reduce the price under pressure and to offers to sell its products at unremunerative prices.

The above adverse factors are likely to continue for some time more. As already stated above, the management is taking appropriate steps to meet the threats.

SEGMENT:

a) Primary Segments –

The Company was having its commercial activity at Delhi and Varanasi. Therefore the company had identified two geographical segments which were taken as primary reportable segments. The Delhi Branch is now closed w.e.f.05.09.2007 and now the company has its commercial activity at Varanasi only. Hence separate segment wise reporting is now not required.

b) Secondary Segments :

The secondary segment reporting is based on business segments. Company's main business is export of Handicraft items like Glass Beads, Necklaces etc. all those items form just one Segment. The sell of miner items such as carpets is less them 10% of total sales. Hence separate segment wise reporting is not required.

FINANCIAL / OPERATIONAL PERFORMANCE:

	2008-2009	2007-2008
	(Rs. in lacs)	(Rs. in lacs)
TOTAL TURNOVER	2350.18	1609.25
Net Profit Before Taxation	324.44	-616.08
Provision for Taxation (Income Tax & Fringe Benefit tax)	2.05	2.20
Net Profit after taxation	322.39	-618.27
Excess Provision of Taxation written back	0.40	4.03
Balance of Profit & Loss Account B/F	-386.78	16.89
Deferred Tax Adjustment	-28.05	210.58
Balance of Profit & Loss Account C/F	-92.03	-386.78

APPROPRIATIONS:

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

OUTLOOK :

As per international market trend the recession may continue in further years. In these circumstances to increase turnover of the company, the management of your company has decided to carry Retail Business under the Trade name and style **De-Lemon** through Retail Counters, Shop, Stores, Franchise and in any other mode in India and abroad.

RISK & CONCERNS:

Presently the main business of your Company is Exports business, hence any further change in duty draw back, DEPB and Exchange Rate policies would have a direct affect on the profitability of the Company. In Retail Business there is lot of direct expenditures and legal formalities. But your Directors are hopeful to manage the things and any adverse situation by better management abilities.

INTERNAL CONTROL SYSTEMS:

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

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

For BANARAS BEADS LTD.,

Sd/-

(Ashok Kumar Gupta)

Chairman & Managing Director

Place : VARANASI

Date : 28. 07. 2009



CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

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

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

3. NUMBERS OF BOARD MEETING HELD:

Five Board Meetings were held during the financial year on 24th April' 2008, 31st July 2008, 7th August 2008, 17th October, 2008 & 29th January, 2009.

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	5	Yes
3. Shri Praveen Singh	5	Yes
4. Shri Tanmay Deva	5	Yes

5. AUDIT COMMITTEE:

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

The meetings of the Audit Committee were held 24th April' 2008, 31st July 2008, 17th October, 2008 & 29th January, 2009, for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2008-2009. All the members of the committee were present at the said meetings.

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

6. REMUNERATION COMMITTEE:

The all decisions regarding the remuneration of executive and non-executive directors are taken by the entire board of directors of the Company. The Board does not have a Remuneration Committee. No remuneration is paid to Non-executive Directors. The Aggregate value of salary and perquisites paid for the year ended on 31st March' 2009 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.654000/-.

7. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met twenty times during the year 2008-2009 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	For Demat	For Remat
No. of shares received	304260	0	4663	100
No. of shares accepted	304260	0	4663	100
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	0	0

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

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 24th April' 2008, 31st July 2008, 17th October, 2008 & 29th January, 2009.

The Board has designated Shri R.K. Singh, Company Secretary as the Compliance officer. The total Number of queries received and replied to the satisfaction of the shareholders during the year were 8 and no issue was pending for redressal as on 31st March, 2009

8. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time	Special resolutions passed
	A-1, Industrial Estate, Varanasi			
2005-2006	- Do -	26.12.2006	3:30 P.M.	No special resolution passed
*2003-2004	- Do -	19.04.2007	2.00 P.M.	No special resolution passed
*2004-2005	- Do -	19.04.2007	3.00 P.M.	No special resolution passed
*2005-2006	- Do -	19.04.2007	4.00 P.M.	No special resolution passed
2006-2007	- Do -	27.12.2007	3.00 P.M.	For amendment in Object to commence business of real estates, constructions, hotels, investments in shares, civil contracts etc. as specified under sub-clause 3, 7, 11, 12, 13, 14 and 15 of Clause 3 (C) Memorandum of Associations of the Company.
2007-2008	-Do-	25.09.2008	3.00 P.M.	No special resolution passed

* Adjourned AGMs were held on for approval of the Accounts for F.Y 2003-2004, 2004-2005 and 2005-2006.

Postal ballots : For the year ended on 31st March' 2009 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

9. OTHER DISCLOSURES:

- None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.4 of Schedule 16 to the Accounts in the Annual Report.
- The Company has done all compliances timely. No penalties, strictures has been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the year. The National Stock Exchange & Mumbai Stock Exchange has suspended the shares of the Company w.e.f. 21.02.2001 and 17.02.2003 respectively, due to non-compliance of Clause 41 of the Listing Agreements on that time. Now Company is complying all the directives and have made request with both the stock exchanges to withdraw the suspension.

MEANS OF COMMUNICATION:

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

10 (i) SHAREHOLDERS INFORMATION:

- | | | |
|-------------------------------|-----------------------|---|
| 1. Annual General Meeting | Date
Time
Venue | : 27.08.2009,
3:00 P.M.
A-1, Industrial Estate, Varanasi |
| 2. Financial Calendar 2008-09 | | : (F.Y. 01/04/2008 to 31/03/2009) |
| 3. Dates of Books Closure | | : From 14 th August, 2009 to Thursday, the 27 th August, 2009 (both days inclusive) |
| 4. Dividend payment | | : NIL |
| 5. Listing on Stock Exchanges | | : U.P. Stock Exchange, Kanpur
Bombay Stock Exchange- (Suspended)
National Stock Exchange -(Suspended) |
| 6. Listing Fees | | : Fees paid for U.P Stock Exchange |
| 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. Electronic Registrars

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

12. Shareholders' Correspondence

Share Transfer in physical form and all other correspondence / communications regarding Duplicate, Share Certificates, Dividends, change of Address, etc. may be addressed to the Company or Registrar M/s Mas Services Limited.

13. Compliance Officer

Sri R.K. Singh, Company Secretary
rksingh@banarasbead.com

14. Designated Exclusive E-mail for investor service

bbl.investor@banarasbead.com

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

10(ii) SHARE TRANSFER SYSTEM:

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

10(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2009:

Particular	No. of Shareholder	% of share holders	Number of Share held	% of share holders
001 – 500	6706	96.03	757751	11.42
501 – 1000	156	2.23	104349	1.57
1001 – 2000	46	0.66	66650	1.00
2001 – 3000	22	0.32	55000	0.83
3001 – 4000	16	0.23	54580	0.82
4001 – 5000	6	0.09	27270	0.41
5001 – 10000	14	0.20	100080	1.51
10001 – above	17	0.24	5470542	82.43
	6983	100.00	6636222	100.00

10(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2009:

The category wise share holding of Members of the Company as on 31.03.2009 is as under -

Category	No. of Shares Held	% of the Shares held
1- Promoters / Associates / Directors	3841522	57.89
2- Other Bodies Corporate / Mutual Fund	229636	3.46
3- Financial Institution / Bank	82790	1.25
3- Trust	1072000	16.15
4- NRI	NIL	NIL
5- Indian Public	1410274	21.25
Total -	6636222	100.00

10(v) DEMATERIALIZATION OF SHARES:

The equity shares of the Company are being traded compulsorily in dematerialised form w.e.f. 26th March, 2001 and as on 31st March, 2009 total number of **794306** equity shares representing **11.97** % of the Equity Share Capital have been dematerialized.

10(vi) The Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on Equity: **Not Applicable.**10(vii) Non-mandatory requirements – Not adopted.11. CEO / CFO CERTIFICATION –

This is to declare that company has received affirmation of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2008-2009.

For BANARAS BEADS LTD.

Sd/-

(Ashok Kumar Gupta)

Chairman & Managing Director

Place : VARANASI

Date : 28.07.2009