

**BOARD OF DIRECTORS**

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

Company Secretary

R.K. Singh

REGISTERED OFFICE

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

E-MAIL & WEBSITE FOR INVESTOR

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

Kamal Kishore & Co.
Chartered Accountants,
Varanasi

UNITS

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

BANKERS

Bank of Baroda
Kotak Mahindra Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS**Mas Services Limited**

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

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

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NOTICE

NOTICE is hereby given that 31st 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 4th August, 2011 at 3.00 P.M. to transact the following **Ordinary Business**:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 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. Praveen Singh, 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.

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

Place : VARANASI
Date : 01. 07. 2011

(R.K.SINGH)
Company Secretary

NOTES:

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

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

2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 22nd July, 2011 to Thursday, the 4th August, 2011 (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 INE number of the company is 655B01011. The members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. They may dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

M/s Mas Services Limited

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 holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrars and Transfer Agents, M/s Mas Services Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to **transfer agent or company**.
7. The members holding shares in physical form are requested to send their phone, fax, E-mail and Bank account detail in enclosed format to the company directly by post at Registered office of the company / **E-mail- investor@bblinvestor.com OR rksingh@banarasbead.com** or to the above registrar for better communication and also notify the changes in their address, if any, immediately to the Registrar.

8. The Ministry of Corporate Affairs (Vide circular nos. 17/2011 and 18/2011 dated April 21 and 29, 2011) has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses in enclosed format, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form **with above transfer Agent or company.**

9. Detail of Director Shri Praveen Singh, who retires by rotation and seeking re-appointment (In pursuance of Clause 49 of listing agreement)

Name	:	Shri Praveen Singh
Fathers name	:	Late Kunwar Parmanad Prasad Singh
Date of Birth	:	05.03.1961
Nationality	:	Indian
Qualifications	:	Chartered Accountant and having vast experience in finance and accounts.
Date of appointment on the board	:	07.11.1998
List of directorship held in other Company(s)	:	Nil

Chairmanship/membership of Committees in Public Companies

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

EXPERIENCE:

Mr. Singh is a Chartered Accountant and having vast experience in finance and accounts.

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

Place : VARANASI
Date : 01. 07. 2011

(R.K.SINGH)
Company Secretary

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **31st Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2011.

FINANCIAL RESULTS:

	2010-2011	2009-2010
	(Rs. in lacs)	(Rs. in lacs)
TOTAL TURNOVER	3518.33	3327.32
Net Profit Before Taxation	555.46	467.89
Provision for Taxation	60.31	13.60
Net Profit after taxation	495.15	454.28
Balance of Profit & Loss Account B/F	327.33	-92.03
Deferred Tax Adjustment	-185.93	-34.92
Balance of Profit & Loss Account C/F	636.55	327.33

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 -

- a) That in preparation of Annual Accounts for the F.Y. ended on 31.03.2011, the applicable accounting standards have been followed ;
- b) 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.
- c) 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;
- d) 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 5.74 % besides facing all adverse situation.

DIVIDENDS :

No dividend has been recommended for the year.

SETTLEMENT OF MANAGEMENT DISPUTES:

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

DIRECTORS:

Shri Praveen Singh 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. M/s Kamal Kishore & Co., Chartered Accountants have under Section 224(1) of the Companies Act, 1956 furnished a Certificate of their eligibility for re-appointment and they hold valid certificate of having Peer Reviewed of their firm.

PARTICULARS OF EMPLOYEES:

The company did not have any employee covered by the provisions of Section 217(2A) of the Companies Act' 1956, read with Companies (Particulars of Employee) Rules 1975 for F.Y. 2010-2011.

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

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



a) **Conservation of Energy :**

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

b) **Technological Absorption:**

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

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

The foreign exchange earnings of the Company during the financial year has been Rs 3292.16 lacs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 351.35 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.

AWARDS / RECOGNITIONS :

The company has received a Special Export Award from CAPEXIL on 4th March, 2011 for SSI Sector in recognition of Export achievement in respect of Glass Beads & False Pearls for the year 2009-2010.

By EPCH Lifetime achievement award to the Chairman & Managing Director of the company for outstanding contribution to the promotion of fashion jewelry accessories. Udayami Samman – 2010 by Zee News Uttar Pradesh.

FIXED DEPOSITS :

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

REVOCATION OF SUSPENSION OF TRADING:

After long persuasion with the Bombay Stock Exchange, the BSE has agreed in principle to revoke the suspension of trading wide their letter dated 28.3.2011 subject to fulfillment of certain conditions. All the requirements of BSE has been complied by the company by 20.4.2011 and now final order for revocation is awaited. However the revocation of suspension of trading with National Stock Exchange is still under process.

ACKNOWLEDGMENT:

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

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

Place : VARANASI
Date : 01.07.2011

(Ashok Kumar Gupta)
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

OPPORTUNITIES & THREATS:

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

In indigenous market company is doing business under the Trade name and style De-Lemon unit of Banaras Beads Ltd. through Retail Counters, Shop, Stores, Franchise and others under arrangement / agreement with various parties and Retail Stores like Sahara Mall, Odyssey, Big Bazar, Pantaloon, V-mart, Salasar (Mayagitanjali) etc. There are opportunities for doing more business in this line. But the China has picked up much share in the market due to their unbelievable low pricing patterns. Thus not only competition has increased but also the Company is forced to reduce the price under pressure and to offers to sell its products at unremunerative prices. The fluctuation in rate of foreign currency will also affect our business and profit. The management is aware about this situation and has taken appropriate steps to meet the threats and making extensive efforts on quality control, cost reducing and widen its marketing net work.

SEGMENT:

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

FINANCIAL / OPERATIONAL PERFORMANCE:

	2010-2011	2009-2010
	(Rs. In lacs)	(Rs. In lacs)
TOTAL TURNOVER	3518.33	3327.32
Net Profit Before Taxation	555.46	467.89
Provision for Taxation	60.31	13.60
Net Profit after taxation	495.15	454.28
Balance of Profit & Loss Account B/F	327.33	-92.03
Deferred Tax Adjustment	-185.93	-34.92
Balance of Profit & Loss Account C/F	636.55	327.33

APPROPRIATIONS:

Proposed Dividend	NIL	NIL
Transfer to General Reserve	NIL	NIL

OUTLOOK :

The prospects of your Company is bright and in years to come the demand of products of your company i.e. Glass Beads and fashionable jewelry will increase in international and indigenous market. The management has made plans to increase turnover in indigenous market and has started Retail Business under the Trade name and style **De-Lemon** through Retail Counters, Shop, Stores, Franchise and in any other modes.

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

INTERNAL CONTROL SYSTEMS:

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

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

For BANARAS BEADS LTD.,

Place : VARANASI
Date : 01. 07. 2011

(Ashok Kumar Gupta)
Chairman & Managing Director

CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY:

The Company has a strong legacy of fair, transparent and ethical governance practices to maintain high level of transparency and accountability in it's all area of functioning and relationship with suppliers, buyers, employees, bankers and proper regulatory compliances.

2. BOARD OF DIRECTORS:

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

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

3. NUMBERS OF BOARD MEETING HELD:

Five Board Meetings were held during the F.Y. on 26th April' 2010, 8TH July, 2010, 29th July, 2010, 28th October, 2010, & 25th January, 2011.

4. ATTENDANCE OF EACH DIRECTORS:

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

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

5. CODE OF CONDUCT :

The Board has adopted a Code of Conduct for its members, senior management and employees. The said code of conduct is available on the Company's web-site. All the Board Members and senior management of the Company as on March 31, 2011 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is annexed hereto.

6. AUDIT COMMITTEE:

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

The meetings of the Audit Committee were held 26th April' 2010, 8TH July 2010, 29th July, 2010, 28th October, 2010 & 25th January, 2011 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2010-2011. All the members of the committee were present at the said meetings.

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

7. REMUNERATION COMMITTEE:

The all decisions regarding the remuneration of executive and non-executive directors are taken by the entire board of directors of the Company. The Board does not have a Remuneration Committee. No remuneration is paid to Non-executive and independent Directors. The Aggregate value of salary and perquisites paid for the year ended on 31st March' 2011 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.1545000/-. Mr. Siddharth Gupta had been appointed as Whole Time Director (Executive Director) on 08.07. 2010 and the aggregate value of salary and perquisites paid for the period ended on 31st March' 2011 to him is Rs. 983111/-.

8. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met ten times during the year 2010-2011 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 transferred	1250	0	1270	110

No. of shares accepted	1350	0	16770	110
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	0	0

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

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 26th April' 2010, 29TH July 2010, 28th October, 2010 & 25th January, 2011.

c) **COMPLIANCE OFFICER :**

The Board has designated Shri R.K. Singh, Company Secretary as the Compliance officer. The investors may lodge their query, requests/complaints either with the Registrar or with 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

OR

Banaras Beads Limited,
A-1, Industrial Estate, Varanasi – 221 106. 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 2010-2011, is as follows:-

The Company has made policy to resolve / redress the complaint within 10 days. But during the year no complaint received regarding non demat/ transfer of shares. However Other more than 300 queries / phone calls received from members in respect of re-listing of share of company with BSE and NSE. The same have been replied timely. No complaint / query is pending for reply / redressal.

9. **GENERAL BODY MEETINGS:**

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

Year	Location	Date	Time	Special resolutions passed
	A-1, Industrial Estate, Varanasi			
2007-2008	-Do-	25.09.2008	3.00 P.M.	No special resolution passed
2008-2009	-Do-	27.08.2009	3.00 P.M.	No special resolution passed
2009-2010	-Do-	05.08.2010	3.00P.M.	No special resolution passed

Postal ballots : For the year ended on 31st March' 2011 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

10. **OTHER DISCLOSURES:**

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

MEANS OF COMMUNICATION:

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

11 (i) **SHAREHOLDERS INFORMATION:**

- Annual General Meeting**
Date : 04.08.2011,
Time : 3:00 P.M
Venue : A-1, Industrial Estate, Varanasi
- Financial Calendar 2010-2011** : (F.Y. 01/04/2010 to 31/03/2011)
- Dates of Books Closure** : From 22nd July, 2011 to Thursday, the 4th August, 2011 (both days inclusive)
- Dividend payment** : NIL
- Listing on Stock Exchanges** : U.P. Stock Exchange, Kanpur
Bombay Stock Exchange- (Suspended)
National Stock Exchange -(Suspended)

7. **Stock Code with BSE** : 526849
8. **Demat ISIN Number in NSDL** : INE655B01011
9. **Registered Office** : A-1, Industrial Estate, Varanasi
10. **Location of the Plant** : A-1, A-5, Industrial Estate and G.T. Road, Tandia, Varanasi
11. **Registrars for share transfer and demat purposes** : **Mas Services Limited**
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Ph:- 26387281/82/83 Fax:- 26387384
email:- info@masserv.com website : www.masserv.com
12. **Shareholders' Correspondence** : Share Transfer in physical form and all other correspondence / communications regarding Duplicate Share Certificates, Dividends, change of Address, etc. shall be addressed to the Registrar M/s Mas Services Limited directly. In case any problem shareholder(s) may write to the company.
13. **Compliance Officer** : Sri R.K. Singh, Company Secretary
14. **Designated Exclusive E-mail for investor service and Website** : investor@bblinvestor.com or www.bblinvestor.com

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

11(ii) SHARE TRANSFER SYSTEM:

The company has appointed M/s Mas Services Ltd., New Delhi as the Registrar and Transfer Agent for recording the shareholders' requests, resolution of investors' grievances, amongst other activities connected with the change of address, transfer/transmission of shares, change of mandate etc.. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The C & M D, the Company Secretary and Manager (Accounts) are severally empowered to approve transfers.

11(iii) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH' 2011:

Particular	No. of Shareholder	% of share holders	Number of Share held	% of share holders
001 – 500	6698	96.01	760181	11.45
501 – 1000	160	2.29	106919	1.61
1001 – 2000	43	0.62	61110	0.92
2001 – 3000	21	0.30	52000	0.78
3001 – 4000	15	0.22	50580	0.76
4001 – 5000	8	0.11	35520	0.54
5001 – 10000	13	0.19	85970	1.30
10001 – above	18	0.26	5483942	82.64
	6976	100.00	6636222	100.00

11(iv) CATEGORY WISE SHARE HOLDING AS ON 31.03.2011:

The category wise share holding of Members of the Company as on 31.03.2011 is as under -

Category	No. of Shares Held	% of the Shares held
1- a) Promoters / Associates / Directors	3840122	57.87
b) Non Promoters and Independent Directors	1400	0.02
2- Other Bodies Corporate / Mutual Fund	231776	3.49
3- Financial Institution / Bank	82790	1.25
3- Trust	1072000	16.15
4- NRI	NIL	NIL
5- Indian Public	1408134	21.22
Total -	6636222	100.00

11(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, 2011 total number of 813111 equity shares representing 12.25 % of the Equity Share Capital have been dematerialized.

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

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

12. CEO / CFO CERTIFICATION –

CEO / CFO Certificate in Compliance to Clause 49 of Listing Agreement is enclosed in respect of the financial year 2010-2011.

For BANARAS BEADS LTD.



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

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2011.

For Banaras Beads Limited

Place: Varanasi
Date : 01.07.2011

(Ashok Kumar Gupta)
Chairman & Managing Director

CEO / CFO CERTIFICATE

To,
The Board of Directors,
Banaras Beads Limited
Varanasi

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

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

For BANARAS BEADS LTD.

Place : VARANASI

(Ashok Kumar Gupta)
Chairman & Managing Director