BOARD OF DIRECTORS

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

Company Secretary

R.K. Singh

REGISTERED OFFICE

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

E-MAIL & WEBSITE FOR INVESTOR

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

CORPORATE IDENTITY NUMBER (CIN)

L01131UP1980PLC004984

AUDITORS

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

E-VOTING SCRUTINIZER

Ajay Jaiswal
Practicing Company Secretary
B-21/33, Flat No. 7, First Floor,
Raj Apartment, Kamachha, 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 34th 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 17th July, 2014 at 3.00 P.M. to transact the following **Ordinary and Special Business:**

Ordinary Business :

Item No. 1 - Adoption of accounts

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2014 including the audited Balance Sheet as at March 31, 2014 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. 2013-2014

To declare Dividend of Rs. 2/- on per Equity Share for the year 2013-2014.

Item No. 3 – Re-appointment of Director

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

Item No. 4 – Appointment of Statutory Auditors

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

Item No. 5- To ratify remuneration of Cost Auditor

To ratify remuneration of Cost Auditor fixed by the Board for F.Y. 2014-15.

Special Business:

Item No. 6. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA AS MANAGING DIRECTOR:

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

RESOLVED THAT in accordance with Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the approval of Central Government, Ministry of Corporate Affairs Government of India, Shri Ashok Kumar Gupta be and is hereby re-appointed as the Managing Director of the Company for a further period of five years, w.e.f. 1st April' 2014 on the terms and conditions contained in the agreement and on the remuneration set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

Item No. 7. CHANGE DESIGNATION OF SHRI SIDDHARTH GUPTA FROM EXECUTIVE DIRECTOR TO CEO AND MANAGING DIRECTOR.

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

RESOLVED THAT in accordance with Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment there of for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the designation of Shri Siddharth Gupta be and hereby changed from **Executive Director to CEO and Managing Director** of the company, for the period of five years, w.e.f. from 1st February, 2014 on the terms and remuneration 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/-

Place : VARANASI
Date : 29. 05. 2014

(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 Monday, the 1st July, 2014 to Thursday 17th July, 2014 (both days inclusive).

3. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.

4. Subject to the provisions of the Companies Acts, 2013 the Dividend Rs. 2/- per Equity Share, as recommended by the Board of Directors, if declare / approve at the Annual General Meeting, will be paid on August 9, 2014 as under-

   a) To all Beneficial Owners in respect of shares held in de materialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on July 1, 2014.

   b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 1, 2014.

5. 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.

6. 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.

7. 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.

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

9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their **mobile number, 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.

10. 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.**

11. 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 and 2012-13 (upto last AGM) with company's website and Ministry of Corporate Affairs website.

12. Members wishing to claim their unpaid Interim and Final dividends for F.Y. 2011-2012 and Interim Dividend 2012-2013 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.

13. 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**.**

14. Copies of the Annual Report 2014 alongwith Notice of the 34th 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.

15. **E-VOTING** -

    As per provisions of the Companies Act, 2013 and Listing Agreement also requires, a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. The complete detail of the instruction for the e-voting is annexed to this notice.

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. iii) Chairman Remuneration Committee of Banaras Beads Ltd.

EXPERIENCE:

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

EXPLANATORY STATEMENT:

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 6. RE-APPOINTMENT OF SHRI ASHOK KUMAR GUPTA AS MANAGING DIRECTOR:

1. At the Annual General Meeting of the Company held on 27th August, 2009, the Members had approved re-appointment of Shri Ashok Kumar Gupta as the Managing Director of the Company w.e.f. 1st April 2009 for a further period of five years with monthly Salary of Rs.125000/- 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 Companies Acts 1956, the Board of Directors in their meeting held on 30th January 2014, have re-appointed (ratified on 29.5.2014 under new provisions of Companies Acts 2013) to Shri Ashok Kumar Gupta as the Managing Director of the company for further period of five years w.e.f. 1st April 2014 to 31st March 2019, subject to approval of Central Government, Ministry of Corporate Affairs Government of India and subject to approval of members of the company.

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.200000/= (Rupees two lacs only) per month.

ii) PERQUISITES :
In addition to the above, the **Managing Director** shall be entitled to the following perquisites

a. **REIMBURSEMENT OF MEDICAL EXPENSES:**

Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of three years, as per Rules of the Company. For the above purpose, "Family" includes spouse, dependent children and parents.

b. **PERSONAL ACCIDENT INSURANCE:**
Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs. 15,000.

c. **CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:**

Contribution to Employee Provident Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

d. **USE OF CAR AND TELEPHONE:**
Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

e. **REIMBURSEMENT OF EXPENSES:**

Reimbursement of entertainment, travelling including out of India and all other expenses incurred for the business of the Company, as per Rules of the Company.

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

The Board recommends this resolution for your approval.

ITEM NO. 7. CHANGE DESIGNATION OF SHRI SIDDHARTH GUPTA FROM EXECUTIVE DIRECTOR TO CEO AND MANAGING DIRECTOR.

Mr. Siddharth Gupta was appointed as the Whole Time Director of the Company by Members in their meeting held on 05.08.2010. Thereafter in accordance with the Provision of Companies Acts 1956, the Board of Directors in their meeting held on 30th January 2014, have changed designation from Executive Director to CEO & Managing Director (ratified on 29.5.2014 under new provisions of Companies Acts 2013) of Shri Siddharth Gupta as the CEO & Managing Director of the company for further period of five years w.e.f. 1st February, 2014, subject to approval of members of the company, on following terms and conditions .

1. As CEO & Managing Director he shall be entitled to the following remuneration and perquisites –

i) SALARY:
A salary of Rs. 1,24,000/= (Rupees one lac and twenty four thousands only) per month.

ii) PERQUISITES :

In addition to the above, the **CEO and Managing Director** shall be entitled to the following perquisites

a. **REIMBURSEMENT OF MEDICAL EXPENSES:**

Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) incurred for self and family, subject to a ceiling of one month's salary or three months' salary over a period of three years, as per Rules of the Company. For the above purpose, "Family" includes spouse, dependent children and parents.

b. **PERSONAL ACCIDENT INSURANCE:**
Personal accident insurance cover of an amount, the annual premium of which does not exceed Rs. 15,000.

c. **CONTRIBUTION TO EMPLOYEE PROVIDENT FUND:**

Contribution to Employee Provident Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

d. **GRATUITY / CONTRIBUTION TO GRATUITY FUND**
As per the payment of gratuity act 1972 and including any amendment thereto.

e. ENCASHMENT OF LEAVE :

Encashment of leave at the end of the tenure.

f. LEAVE TRAVEL CONCESSION :
For the **CEO and 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.

g. **USE OF CAR AND TELEPHONE:**
Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

h. **REIMBURSEMENT OF EXPENSES:**
Reimbursement of entertainment, travelling including out of India and all other expenses incurred for the business of the Company, as per Rules of the Company.

2. Mr. Siddharth Gupta shall be responsible to conduct and manage business and others works of the Company and he shall perform such other duties as shall from time to time be entrusted to him subject to the superintendence, guidance and control of the Board of Directors of the Company.

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

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

The Board recommends this resolution for your approval.

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

Sd/-

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **34th Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2014.

FINANCIAL RESULTS:

	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
Revenue from Operations	2657.15	2768.27
Net Profit Before Taxation	349.71	402.67
Net Profit after taxation	258.41	330.75
Balance of Profit & Loss Account B/F	818.25	753.95
APPROPRIATIONS:		
Transfer to General Reserve	36.00	50.00
Interim Dividend Paid @ 2.5 per Share		165.91
Dividend Proposed @2.00 per Share	132.72	0
Tax on Dividend	21.53	26.91
Taxes of earlier Years	-0.49	23.63
Balance of Profit & Loss Account C/F	886.90	818.25

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 31.03.2014, 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 slightly increased despite that the export industry is facing consequential effect of global slowdown.

DIVIDENDS:

Based on the Company's performance during the year 2013-2014, the Board of Directors decided to recommend dividend of Rs. 2/- per share

TRANSFER TO RESERVES

The Board of the directors has proposed to transfer Rs. 36.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 68.65 lakhs after adjustment of Rs.0.49 Lakhs of Earlier year taxes is proposed to be retained in the Profit and Loss Account.

SETTLEMENT OF MANAGEMENT DISPUTES:

As already reported that the decade old disputes between the two Groups of Shareholders namely Raj Kumar Gupta Group and Ashok Kumar Gupta Group stands resolved by order dated 04.07.2007 read with order dated 03.08.2007 passed by the Hon'ble Company Law Board in C.P. No. 14/99. The directions given by the CLB vide the aforesaid two orders were implemented and communicated to the Shareholders as part of Annual Report forming part of published Accounts for the F.Y.2006-2007 and onwards. However in this regard the Special Leave Petition vide no. 25165-25166/2007filed by Shri Ajit Kumar Gupta and others is still pending before Hon'ble Supreme Court for appropriate order. The matter was taken by Hon'ble Supreme Court on 03.4.2014 and next date fixed on 16.7.2014 for Final hearing.

DIRECTORS:

Shri Praveen Singh retires from Board of Directors by rotation in accordance with the provisions of the Companies Act 2013 and being eligible, offers himself for re-appointment.

The tenure of Mr. Ashok Kumar Gupta as Managing Director has been expired on 31.3.2014 and Board has re-appointed him for further five years w.e.f.1.4.2014, subject to Members and Central Government Approval.

The Board has re-designated Mr. Siddharth Gupta as CEO & Managing Director from Whole Time Director subject to Members Approval.

We seek your support in confirming the re-appointment of Mr. Ashok Kumar Gupta and change in designation of Mr. Siddharth Gupta.

APPOINTMENT OF AUDITORS:

M/s Kamal Kishore & Co., Chartered Accountants, the Auditors of the Company, who hold office upto the conclusion of the Annual General Meeting, are eligible for re-appointment and have expressed their willingness to accept the office if re-appointed as Auditors of the Company. M/s Kamal Kishore & Co., Chartered Accountants have under Section 139 of the Companies Act, 2013 furnished a Certificate of their eligibility for re-appointment .

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. 2013-2014.

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 been taken to conserve the energy.

b) Technological Absorption:

The Company has imported machines from China and Check 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 foreign exchange earnings of the Company during the financial year has been Rs 2118.38 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 620.08 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 attached to this report.

AWARDS / RECOGNITIONS :

The Chairman Shri Ashok Kumar Gupta has been awarded by Samay News Network its first Samy Udyami Uttar Pradesh 2013 award for "Best Performing Manufacturing (SMALL)" for the MSME sector in Uttar Pradesh for the year 2013 through Hon'ble Chief Minister Uttar Pradesh.

FIXED DEPOSITS:

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

FINANCE

The Company had not availed any fresh limits from Bank during the F.Y. ended on 31.03.2014.

CREDIT RATING :

The company has been recognized/rated as **" ICRA SME 2"** by ICRA Ltd.

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 : 29 05. 2014

(Ashok Kumar Gupta)
Chairman & Director

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

OPPORTUNITIES & THREATS:

The Company is Manufacturer and Exporter of Glass Beads, Necklaces, imitation Jewellary, handicrafts and other related items and has made it's credibility and reputation in international market by providing better quality's on competitive price within committed period.

The company's product is fashionable items and having much business scope in indigenous and international market. But the China has dumped its products at low price. Resultantly competition has increased and the Company is forced to reduce it's price. 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:

	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
Revenue from Operations	2657.15	2768.27
Net Profit Before Taxation	349.71	402.67
Net Profit after taxation	258.41	330.75
Balance of Profit & Loss Account B/F	818.25	753.95
APPROPRIATIONS:		
Transfer to General Reserve	36.00	50.00
Interim Dividend Paid @ 2.5 per Share		165.91
Dividend Proposed @2.00 per Share	132.72	0
Tax on Dividend	21.53	26.91
Taxes of earlier Years	-0.49	23.63
Balance of Profit & Loss Account C/F	886.90	818.25

OUTLOOK :

The company has installed imported Machines and is in process to develop its skill in manufacturing on imported machines. Production on new machines has been started. In coming year demand of company products i.e. Glass Beads and fashionable jewelry will increase in international and indigenous market. Thus future of your company is bright.

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 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 & Director

Place : VARANASI
Date : 29. 05. 2014

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 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.

2. BOARD OF DIRECTORS:

The company is having five directors including two 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 & Director	3	1	1
2. Shri Ashok Kumar Kapoor	Non-Executive and Independent Director	1	3	1
3. Shri Praveen Singh	Non-Executive and Independent Director	NIL	3	2
4. Shri Tanmay Deva	Non-Executive and Independent Director	1	3	NIL
5. Shri Siddharth Gupta	CEO & Managing Director	3	NIL	NIL

3. NUMBERS OF BOARD MEETING HELD:

Four Board Meetings were held during the F.Y. on 30th May' 2013, 25th July,2013, 22nd October , 2013 & 30th January, 2014.

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	4	Yes
4. Shri Tanmay Deva	4	Yes
5. Siddharth Gupta	2	Yes

5. 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, 2014 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. 177 of the Companies Act, 2013 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 29th May' 2013, 25th July,2013, 22nd October ,2013 & 30th January, 2014 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2013-2014. 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 Board has constituted a 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 Remuneration Committee were held on 24th October 2013 and 30th January, 2014 to review remuneration with regard to re-appointment of Mr. Ashok Kumar Gupta and change in designation and remuneration of CEO and Managing Director Mr. Siddharth Gupta.

All the members of the committee were present at the said meetings.

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

Kumar Gupta is Rs.1680000/- and to Mr. Siddharth Gupta, CEO and Managing Director is Rs.1397760/-.

8. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met four times during the year 2013-2014 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	3740	4040	14600	0
No. of shares accepted	3740	4040	13890	0
No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms	0	0	710	

b) SHAREHOLDER / INVESTORS' GRIEVANCE COMMITTEE:

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has constituted an Investor Grievance Committee comprising of three Non-executive and independent Directors viz. Shri Praveen Singh, Chairman, Shri Ashok Kumar Kapoor and Shri Tanmay Deva, as its members, specifically to look into the redressal of Grievances / Complaints of Shareholders and investors such as Transfer of Shares, non-receipt of Balance Sheet, etc. The meetings of said Committee were held on 30th May' 2013, 25th July,2013,, 22nd October ,2013 & 30th January, 2014.

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 2013-2014 -

The Company has made policy to resolve / redress the complaint within 10 days by them self or through RTA. During the year company has received 50 complaints/request regarding non-receipt of dividend, demat/ transfer of shares and all complaints have been resolved timely. 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 is pending for reply / redressal as on 31.3.2014.

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			
2010-2011	-Do-	04.08.2011	3.00P.M.	No special resolution passed
2011-2012	-Do-	19.07.2012	3.00PM	No special resolution passed
2012-2013	-Do-	04.08.2013	3.00PM	No special resolution passed

Postal ballots : For the year ended on 31st March' 2014 there have been no ordinary or special resolution passed by the shareholders of the Company through Postal ballot and there is no resolution proposed at the ensuing Annual General Meeting, which needs to be passed through Postal Ballot.

10. OTHER DISCLOSURES:

a) None of the transactions with any of the related party is in conflict with the interest of the Company. The transactions with related parties have been disclosed in note No.27 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.

c) Mr. Raj Kumar Gupta, ex-director of the company had filed CP No. 14/99 against company and its directors in the year 1998-99. Mr. Raj Kumar Gupta was incharge of Delhi office of the company and had not complied various provision of Companies Acts. Resultantly ROC, UP has filed complaints against company and its directors in the year 2007. During the year Varanasi Court has disposed off two complaints on 23.11.2013 by imposing fine of Rs. 8000/- in each case against Company and Shri Ashok Kumar Gupta, Managing