35th ANNUAL REPORT 2015

2014-15

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BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA

Late Kanhaiya Lal Gupta Ji
(1925-1992)

PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION

Ashok Kumar Gupta
Chairman & Director

Dear Shareholders,

It is my privilege to report the Annual results for the F.Y. 2014-2015.

The Management has done its best but turnover of your Company has not increased on account of continued decline in demand of handmade beads, recession in global economy, fluctuation in foreign currency and dumping by China. We hope for betterment in next year's.

Despite decrease in turnover of the company, the company has achieved better cash profit due to efficient cost control. During the year net profit of the company before tax is Rs. 2.63 Crore against the previous year amounting to Rs. 3.50 Crore. However net profit before tax and depreciation (cash profit) during the year is Rs. 4.98 Crore against the corresponding previous year figure of Rs. 4.96 Crore. The net profit before tax decreased mainly due to higher depreciation charged during the year as per new provisions of Companies Act, 2013.

During the year the shares of your company were being traded in BSE and NSE between Rs. 25/- to Rs. 64/- against book value of around Rs. 60/-. The board had recommended for declaration of dividend of Rs. 1/- per shares for this financial year, despite facing adverse situation and decline in turnover.

We are still in process to get Government Support for establishing Cluster Scheme in Varanasi to develop infrastructure, skill and technology in Glass Beads manufacturing.

Your Company is getting good response in indigenous market and hope in coming few years Company will pickup more market share of its products in indigenous market.

I want to record my appreciation for co-operation and support provided by the directors, auditors, internal auditors, buyers, suppliers, bankers, artisans, employees and associates of the company in every field of your Company's activities.

With best wishes to all.

Ashok Kumar Gupta
Chairman & Director

BOARD OF DIRECTORS

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

Company Secretary & Compliance Officer

R.K. Singh

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
Yes Bank Ltd.
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 35th 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 13th August, 2015 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, 2015 including the audited Balance Sheet as at March 31, 2015 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. 2014-2015

To declare Dividend of Rs. 1/- on per Equity Share for the year 2014-2015.

Item No. 3 – Re-appointment of Director

To appoint a director in place of Shri Ashok Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment as director.

Item No. 4 – Appointment of Statutory Auditors

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Kamal Kishore & Co., Chartered Accountants, Varanasi (Firm Registration No. 007424C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business:

Item No. 5- APPOINTMENT OF DIRECTOR

To consider and if, thought fit to pass with or without modification(s), the following resolution as a Ordinary Resolution:-

"RESOLVED that Mrs. Shalini Chandra (DIN. 01036394) was appointed as an Additional Director with designation Executive Director of the Company w.e.f. 01.03.2015 on the given below remuneration, terms and conditions pursuant to the provisions of section 149, 152, 161, 196 and 197 read all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement and shall hold the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from her proposing her candidature for the office of Director, be and is hereby appointed as director of the company w.e.f. 13th August 2015 and liable to retire by rotation.

RESOLVE FURTHER that Mrs. Shalini Chandra is designated as Executive Director of the Company to hold the office of the company for her remaining period of five years upto 28th February' 2020, subject to re-appointment on retirement by rotation, on the remuneration, terms and conditions set out as follows-

i) SALARY:
A salary of Rs. 50000/= (Rupees Fifty thousand only) per month.

ii) PERQUISITES:

In addition to the above, the Executive **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. 10,000.

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 Executive **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. **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.

RESOLVED FURTHER that Mrs. Shalini Chandra shall be responsible to conduct, manage business and others works of the Company and she shall perform such other duties as shall from time to time be entrusted to her, subject to the superintendence, guidance and control of the Board of Directors of the Company.

Item No. 6- APPOINTMENT OF MR. ASHOK KUMAR KAPOOR AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Kumar Kapoor (DIN No.142499) , a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 7- APPOINTMENT OF MR. PRAVEEN SINGH AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Praveen Singh (DIN No. 787142) , a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 8- APPOINTMENT OF MR.TANMAY DEVA AS INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if, thought fit to pass with or without modification(s), the following resolution as ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Tanmay Deva (DIN No. 390718), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 13th August, 2015 up to January 21, 2020 and not liable to retire by rotation.

Item No. 9- TO BORROW THE MONEY UPTO Rs. 300 CRORE FROM BANK AND OTHERS.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 15, 1995 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Act, 2013, and the rules made there under and as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed by the board of directors shall not at any time exceed the limit of Rs. 300 crore (Three Hundred Crore only)."

"RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

Item No. 10- Creation of Charges on the assets of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on September 15, 1995 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under and as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to creat mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.300 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

ITEM NO. 11

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to accord assent/dissent to the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as new set of Articles of Association of the Company in place and in exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board of Directors

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

Sd/-

Place : VARANASI
Date : 25. 05. 2015

(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 Thursday, the 7th August, 2015 to Thursday 13th August, 2015 (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. 1/- per Equity Share, as recommended by the Board of Directors, if declare / approve at the Annual General Meeting, will be paid on September 5, 2015 as under-

   a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited before books closer date 7th August, 2015.

   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 book closer date 7th August, 2015.

5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance 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, 2012-13 and 2013-14 (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, Interim Dividend 2012-2013 and Dividend 2013-14 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 2015 alongwith Notice of the 35th 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 –

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

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

Commencement of e-voting	End of e-voting
August 10, 2015 at10.00 a.m. IST	August 12, 2015 at 5.00 p.m. IST

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

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

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL **https://www.evoting.nsdl.com/**
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (**Banaras Beads Limited)**. Members can cast their vote online from **August 10, 2015 (10:00 am)** till **August 12, 2015 (5:00 pm).**

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

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **(workroc@gmail.com)** with a copy marked to **evoting@nsdl.co.in**.

Please note the following:

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

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 6th August, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

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

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

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

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

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

Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th June, 2015, can obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, info@masserv.com

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

C. Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; **www.icicidirect.com** for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website **www.icicidirect.com**. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.
- The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.banarasbead.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 35th AGM of the Company on August 13, 2015 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

By Order of the Board of Directors

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

Sd/-

Place : VARANASI
Date : 25. 05. 2015

(R.K.SINGH)
Company Secretary

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

ITEM NO. 4
This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C), Chartered Accountants (CAs), Varanasi were re-appointed as the statutory auditors of the Company for financial year 2014-15 at the Annual General Meeting (AGM) of the Company held on July 17, 2014. Further as per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. The notice of previous AGM was issued on 29.05.2014, thus this matter was not included in said AGM by clearly stating said provisions.

Under the provisions of 139 of Companies Act 2013 M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) are being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 25.05.2015, proposed the appointment of M/s Kamal Kishor & Company, Chartered Accountants, Varanasi (Firm Registration No. 007424C) as the statutory auditors of the Company for a period of remaining two years to hold office from the conclusion of this AGM till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

ITEM NO. 5
The Board of Directors has received a notice from Mrs. Shalini Chandra (DIN: 01036394) proposing her candidature as a director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. Mrs. Shalini Chandra is Post Graduate Diploma in Business Administration (PGDBA) from MIT School of Management of Pune in 1999. Thus, she has wide expertise in Business and Administration. The Nomination and Remuneration Committee and Board have reviewed the Notice. The Company has received from Mrs. Shalini Chandra the followings –

(i) Consent in writing to act as Women / Executive Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.

(ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and

In the opinion of the Board of Directors, Mrs. Shalini Chandra proposed to be appointed, as a Director with designation Executive Director on the remuneration, terms and condition as stated in proposed resolution fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder. A copy of the draft letter for the appointment of Mrs. Shalini Chandra as Director with designation Executive Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting. None of the Directors, Key Managerial Personnel or their relatives, except Mrs. Shalini Chandra for whom the Resolution relates, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Mrs. Shalini Chandra as Director w.e.f. 13th August, 2015, liable to retire by rotation with designation as Executive Director of the Company for remaining five years upto 28th February 2020, pursuant to applicable provisions of the Act, Rules made there under.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

ITEM NOS.6 to 8: The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed Mr. Ashok Kumar Kapoor, Mr. Praveen Singh and Mr. Tanmay Deva, as Independent Directors at various times, liable to retire by rotation, in compliance with the requirements of the said Clause. Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further in this regard a clarification was issued by Ministry of Corporate Affairs, Government of India vide circular no. 14/2014 dt. 09.06.2014 and as per the same an "ID"/ an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. The matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the committee has recommended their appointment as Independent Director to the Board. The Board has appointed/fixed their tenure in its meeting held on 22.01.2015, as Independent Director to be ratified/approved by Members in ensuing AGM. The other details in this regard is as under :-

Name of Independent Director	Appointed period/ID Tenure
Mr. Ashok Kumar Kapoor	From 01.03.2015 to 28.02.2020
Mr. Praveen Singh	From 01.03.2015 to 28.02.2020
Mr. Tanmay Deva	From 01.03.2015 to 28.02.2020

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges. A brief profile of the Directors to be appointed is given below:

1. Detail of Director Shri Ashok Kumar Kapoor, Independent Director-

Name	:	**Shri Ashok Kumar Kapoor**
Fathers name	**:**	Late Ram Krishna Kapoor
Date of Birth	**:**	**15**.10.1951
Nationality	**:**	Indian
Qualifications	**:**	Graduate.
Date of appointment on the board	**:**	**Appointed as non-executive director in the company on 29.01.1999 and subsequently** under the Companies Act 2013first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
PAN No.	**:**	ADUPK1929M
DIN No.	**:**	00142499
List of directorship held in other **Company(s)**	**:**	**i) M/s R.K. Impex (P) Limited**
Chairmanship/membership of **Committees in Public Companies**	:	i) Chairman Audit Committee of Banaras Beads Ltd. ii) Member Shareholders/ Investor Grievance Committee of Banaras Beads Ltd. iii) Member Remuneration and Nomination committee of Banaras Beads Limited

EXPERIENCE:
Mr. Ashok Kumar Kapoor is having experience in Carpet, Handicrafts and other related items business, more than three decades.

2. Detail of Director Shri Praveen Singh, Independent Director.

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	**:**	**Appointed as non-executive director in the company on 07.11. 1998 and subsequently** under the Companies Act 2013first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
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 and Nomination Committee of Banaras Beads Ltd.

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

3. Detail of Director Shri Tanmay Deva, Independent Director.

Name	:	Shri Tanmay Deva
Fathers name	:	Late Diptiman Deva
Date of Birth	:	21.07.1971
Nationality	:	Indian
Qualifications	:	Graduate from Delhi University
Date of appointment on the board	:	Appointed as non-executive director in the company on 01.10. 2000 and subsequently under the Companies Act 2013first tenure as Independent Director fixed from 01.03.2015 to 28.02.2020
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. iii) Members Remuneration and Nomination Committee of Banaras Beads Ltd.

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