



BANARAS BEADS LIMITED

AN EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA



33rd
ANNUAL REPORT
2012-13



PIONEER OF GLASS BEADS AND FOUNDER OF ORGANIZATION



Late Kanhaiya Lal Gupta Ji
(1925-1992)

From Chairman



Ashok Kumar Gupta
CMD

Dear Shareholders,

It is my privilege to report the Annual results for the F.Y. 2012-2013.

You are aware the global economic down fall, fluctuation in foreign currency and dumping by China

are major concerns for exporters. Being an exporter during this year your company has also faced much challenges and competition about pricing with Chinese products and ultimately resulting into decline in Turnover and Net Profit of the Company.

The MSME, Government of India had sanctioned project of establishment of Common Facility Centre under its Cluster Scheme in Varanasi to develop infrastructure, skill and technology in Glass Beads manufacturing and your company was also to be benefited by this project.

But due to bureaucratic approach of local Government officers in clearance the project could not be established and the Government of India has cancelled the same. No other project is also sanctioned for development of Glass Bead Industry in Varanasi. Due to changing environment of competition and use of advance technology in Bead manufacturing the company has decided to build

these infrastructure of its own and invested Rs. 9 Crore (including Rs. 4 Crore of last year) and Rs. 4 Crore may be invested in future. The company hopes to get its result in coming years.

With the efforts being made by the Company, we hope that the company will be in a position to participate in the growth that is happening in the competitor countries and others.

The shares of your company are being traded in BSE and NSE between Rs. 27/- to Rs. 60/- against book value around Rs. 56/-. During this financial year, board has paid interim dividend of Rs. 2.50 per Share.

The Future of the Company is bright and hopes that you will get good returns in coming years from the Company barring unforeseen circumstances. We hope that you will continue to support us in the same way that you have stood by us over the years.

I am grateful to the Board for their co-operation and support and shareholders who have extended their constant support.

With best wishes to all

(Ashok Kumar Gupta)
Chairman & Managing Director



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,
Firm No. 007424C
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 33rd 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 18th July, 2013 at 3.00 P.M. to transact the following **Ordinary Business**:

Item No. 1 - Adoption of accounts

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Independent Auditors thereon.

Item No. 2 – Confirmation of interim dividend

To confirm the payment of Interim Dividend on Equity Shares for the year 2012-2013.

Item No. 3 – Re-appointment of Director

To appoint a director in place of Mr. Ashok Kumar Kapoor, 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.

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

Sd/-

Place : VARANASI
Date : 30.05.2013

(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, 2013 to Thursday 18th July, 2013 (both days inclusive).
3. Members / Proxies should bring copy of Annual Report and their attendance slip duly filled & signed at the meeting.
4. The Interim Dividend dated 20.2.2013 @ 2.50 per Equity share as declared and paid by Board for the year 2012-2013, will be confirmed.
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 INE number of the company is 655B01011. The members holding shares in physical form are requested to dematerialise their holdings through a recognized Depository participant, by forwarding their request to the REGISTRAR-

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

7. **Members are requested to make all query /correspondence directly with above Registrar of the company for transfer, transmission of shares, duplicate issue of share certificates, record in change of address and or other purposes.**
8. 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.
9. The members holding shares in physical form are requested to send their change of address 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**.
10. The pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts of dividends lying with the Company for F.Y. 2011-12 (upto last AGM) with company's website and Ministry of Corporate Affairs website.



11. 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. 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 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
12. 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 dematerialised form **with their respective Depository Participants** and in respect of shares held in physical form **with above RTA directly**.
13. Detail of Director Shri Ashok Kumar Kapoor, who retires by rotation and seeking re-appointment (In pursuance of Clause 49 of listing agreement)

| | | |
|----------------------------------|---|--------------------------------|
| 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 | : | 29.01. 1999 |
| 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. |

EXPERIENCE:

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

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

Sd/-

Place : VARANASI
Date : 30. 05. 2013

(R.K.SINGH)
Company Secretary

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the **33rd Annual Reports** together with the Audited Accounts of the Company for the year ended on 31st March' 2013.

FINANCIAL RESULTS:

| | 2012-2013 | 2011-2012 |
|---|----------------------|----------------------|
| | (Rs. in lacs) | (Rs. in lacs) |
| Revenue from Operations | 2768.27 | 3386.20 |
| Net Profit Before Taxation | 402.67 | 596.74 |
| Net Profit after taxation | 330.75 | 473.41 |
| Balance of Profit & Loss Account B/F | 753.95 | 636.55 |
| APPROPRIATIONS: | | |
| Transfer to General Reserve | 50.00 | 47.50 |
| Interim Dividend Paid @ 2.5 per Share | 165.91 | 165.91 |
| Final Dividend Proposed @ 1.5 per Share | 0 | 99.54 |
| Tax on Dividend | 26.91 | 43.06 |
| Taxes of earlier Years | 23.63 | 0.00 |
| Balance of Profit & Loss Account C/F | 818.25 | 753.95 |

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 31.03.2013, 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 declined by 16.92% as the export industry is also facing consequential effect of global slowdown.

DIVIDENDS:

Based on the Company's performance during the year 2012-2013, the Board of Directors decided to make payment an interim dividend of Rs. 2.50/- per share and not recommend for final dividend.

TRANSFER TO RESERVES

The Board of the directors has proposed to transfer Rs. 50.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs 64.30 lakhs after adjustment of Rs.23.63 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. 25165-25166/2007 filed by Shri Ajit Kumar Gupta and others is still pending before Hon'ble Supreme Court for appropriate order.

DIRECTORS:

Shri Ashok Kumar Kapoor 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 accept the office if 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. 2012-2013.



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 2013.30 lakhs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been Rs. 423.71 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.

FIXED DEPOSITS :

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

FINANCE

The Company had availed loans of Rs. 480.67 Lacs from Bank during the F.Y. ended on 31.03.2013.

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 on Periodic Call Auction basis.

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/-

(Ashok Kumar Gupta)
Chairman & Managing Director

Place : VARANASI
Date : 30. 05. 2013

MANAGEMENT DISCUSSION & ANALYSIS OVERVIEW

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

OPPORTUNITIES & THREATS:

The Company is Manufacturer and Exporter of Glass Beads, Necklaces, imitation Jewellery, 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 has started business in indigenous market through Retail Counters, Shop, Stores, Franchise and others under arrangement / agreement with various parties. Out of which some has been closed due to on going losses and some stores are giving profit.

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 Company has imported various machines from China and other countries during the year and hope in coming years company will be able to compete price with China.

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.

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 sale of minor items such as carpets and other items 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:

| | 2012-2013 | 2011-2012 |
|---|----------------------|----------------------|
| | (Rs. in lacs) | (Rs. in lacs) |
| Revenue from Operations | 2768.27 | 3386.20 |
| Net Profit Before Taxation | 402.67 | 596.74 |
| Net Profit after taxation | 330.75 | 473.41 |
| Balance of Profit & Loss Account B/F | 753.95 | 636.55 |
| APPROPRIATIONS: | | |
| Transfer to General Reserve | 50.00 | 47.50 |
| Interim Dividend Paid @ 2.5 per Share | 165.91 | 165.91 |
| Final Dividend Proposed @ 1.5 per Share | 0 | 99.54 |
| Tax on Dividend | 26.91 | 43.06 |
| Taxes of earlier Years | 23.63 | 0.00 |
| Balance of Profit & Loss Account C/F | 818.25 | 753.95 |

OUTLOOK :

The company is in process to develop its skill and technology in manufacturing by imported machines. The installation of imported machines and partly production is 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 & Managing Director

Place : VARANASI
 Date : 30.05.2013

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 its 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 & 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:

Four Board Meetings were held during the F.Y. on 30th May' 2012, 26th July,2012,, 25th October ,2012 & 29th January, 2013.

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 | 2 | Yes |
| 5. Siddharth Gupta | 3 | 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, 2013 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 29th May' 2012, 26th July,2012, 25th October ,2012 & 29th January, 2013 for reviewing the financial performance of the company on quarterly basis and for consideration of Annual Accounts for the year 2012-2013. 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 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' 2013 to the Chairman & Managing Director Shri Ashok Kumar Gupta is Rs.1680000/-and to Mr. Siddharth Gupta, Whole Time Director (Executive Director) is Rs.1344000/-.

8. COMMITTEE FOR THE SHAREHOLDERS:

a) SHARE TRANSFER COMMITTEE:

The Committee met nine times during the year 2012-2013 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 | Transmiss ion | Demat | Remat |
|--|-------------------|---------------|---------|-------|
| No. of shares received | 14160 | 660 | 1143450 | 0 |
| No. of shares accepted | 14160 | 660 | 1142940 | 0 |
| No. of shares rejected due to signature difference / incomplete transfer deeds / DRF forms | 0 | 0 | 510 | |

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' 2012, 26th July, 2012, 25th October, 2012 & 29th January, 2013.

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 2012-2013 -

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 80 complaints/request regarding non-receipt of dividend, demat/ transfer of shares and all complaints have been resolved timely. However after revocation of suspension of trading various queries / phone calls, letters and e-mail received from members in respect of code number of Company, 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 31.3.2013.

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 | | | |
| 2009-2010 | -Do- | 05.08.2010 | 3.00P.M. | No special resolution passed |
| 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 |

Postal ballots : For the year ended on 31st March' 2013 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.27 of Notes on 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.
- 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 Hon'ble Company Law Board, New Delhi has compounded four complaints against company and whole Time Director Shri Ashok Kumar Gupta, by way of compounding charges against company Rs. 10000/- and against director Rs. 5000/- in each case. Accordingly the compounding fee Rs. 40000/- paid by company and Rs. 20000/- by Managing Director Shri Ashok Kumar Gupta from his personal account. Further the Varanasi Court has disposed six complaints by making penalty Rs. 3800/- in each case against Shri Ashok Kumar Gupta, Managing Director of the Company. The said amount was also paid by Managing Director from his personal account. The two complaints are still pending against company and director and the same in process for compounding through CLB or dispose of through Varanasi Court.

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.