



## **BNR UDYOG LIMITED**

|  |   |
|--|---|
| <b>Board of Directors</b>                    | : Shri B. N. Rathi - Chairman<br>Shri J. Vikramdev Rao<br>Shri T. Bharadwaj<br>Dr. B. Priyadarshini<br>Shri Kamal Rathi - Managing Director |
| <b>Auditors</b>                              | : M/s. Laxminiwas & Jain,<br>Chartered Accountants,<br>Station Road, Nampally,<br>Hyderabad - 500 001.                                      |
| <b>Bankers</b>                               | : HDFC Bank Ltd.<br>The A.P. Mahesh Co-op. Urban Bank Ltd.  |
| <b>Registered Office</b>                     | : 6-3-650, Maheshwari Chambers,<br>218, 2nd Floor, Somajiguda,<br>Hyderabad - 500 082<br>Ph. : 23375791, 23375793                           |
| <b>Registrar &amp; Share Transfer Agents</b> | : Karvy Computer Share Private Limited<br>17 to 24, Vittal Rao Nagar,<br>Madhapur,<br>Hyderabad - 500 081                                   |
| <b>Stock Exchanges (Listed)</b>              | : The Bombay Stock Exchange Ltd.<br>Phiroze, Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai - 400 001                                  |



## BNR UDYOG LIMITED

### NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of BNR Udyog Limited will be held on Wednesday, the 22nd day of September 2010, at 10-00 a.m. at Rajasthani Graduates Association, 5-4-790/1, 1st Floor, Abids, Hyderabad - 500 001 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri B.N. Rathi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. B. Priyadarshini who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint the Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) as may be permissible the following resolution as an ORDINARY RESOLUTION.

"RESOLVED that in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of the members of the company, Shri Kamal Rathi be and is hereby re-appointed as Managing Director of the company with following remuneration for a period of five years with effect from 18.01.2010 on the following terms and conditions.

- a) Remuneration :- Rs. 60,000/- (Rupees sixty thousand only) per month.
- b) Medical Reimbursement - Medical expenses incurred by the Managing Director for self and family including dependent parents subject to a ceiling of one month's salary per year or three month's salary in block of three years to be reimbursed.
- c) Leave Travel Concession - self and family including dependent parents to and from place in India once in a year in accordance with the rules of the company.
- d) Club Fees - Fees of Club to a maximum of two clubs will be allowed.
- e) Personal Accident - For an amount to cover within the annual insurance premium which does not exceed Rs. 5,000/-
- f) Provident Fund - Company's Provident Fund shall be 12% of the salary. It will not be taken as perquisite.
- g) Gratuity - Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- h) Car - Free use of company's car with driver for company's business. This will not be considered as perquisite.
- i) Telephone at Residence - Free use of telephone at residence for official purpose. This will not be considered as perquisite.
- j) Leave - On full pay and allowance as per rules of the company but more than one month's leave for every eleven months alongwith to be allowed. Leave not availed would be allowed to be encashed.
- k) Entertainment Expenses - The appointee shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the company.



## BNR UDYOG LIMITED

### NOTES:

1. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a Member of the Company.
2. The instrument of proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than **48 hours before the commencement of the Meeting.**
3. The Register of members and the Share Transfer Books will remain closed from 13th September, 2010 to 22nd September, 2010 (both days inclusive).
4. Dividend on equity shares as recommended by the Directors for the financial year 31st March, 2010 when declared at the meeting will be paid on or after 7th October, 2010 to those shareholders whose names stand on the company's Register of Members as at the opening hours of 22nd September, 2010.
5. Members are requested to notify immediately any change in their address to the Company/Registrar.
6. Members/Proxies should bring the attendance slip duly filled in alongwith the Annual Report for attending the Meeting.

BY ORDER OF THE BOARD,

Place : Hyderabad  
Date : 30.07.2010

**KAMAL RATHI**  
Managing Director

### Explanatory statement as required under section 173 of the Companies Act, 1956

#### ITEM NO. 5

Shri Kamal Rathi was re-appointed as Managing Director of the company as per the provisions of section 198, 269 & 309 read with schedule XIII for a period of 5yrs with effect from 18.01.2010 on a remuneration as mentioned in the resolution. The remuneration committee and the Board thought it fit to increase the remuneration from Rs. 40,000/- to Rs. 60,000/-. The Board is of the view that the knowledge and experience of Shri Kamal Rathi will be of immense help to the company and therefore, recommends the resolution for the approval of the members.

None of the Directors except Shri Kamal Rathi and Shri B.N. Rathi may be deemed to be interested in the above resolution.

#### A brief resume of Shri B.N. Rathi and Dr. B. Priyadarshini as per clause 49 of the Listing Agreement.

Shri B.N.Rathi is a Bachelor in Arts and is the promoter director of the company. He has a vast experience in the field of capital market and banking related activities. He is the Chairman of the company and his guidance and experience is essential for the growth of the company. Hence his re-appointment as a Director is recommended..

Dr. B. Priyadarshini is a MBBS and Medical Practitioner by Profession. She has a wide experience in the field of Medicine which is of immense help in the Medical Transcription activity of the company. Hence, her re-appointment as a director is recommended.

BY ORDER OF THE BOARD,

Place : Hyderabad  
Date : 30.07.2010

**KAMAL RATHI**  
Managing Director



# BNR UDYOG LIMITED

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report of your company together with the Audited Statement of Accounts for the year ending 31<sup>st</sup> March, 2010.

### 1. FINANCIAL RESULTS :

The financial results for the year ended 31<sup>st</sup> March, 2010 are summarised as under :

|  |                | (Rs. in Lakhs) |
|--|----------------|----------------|
|  | <b>2009-10</b> | <b>2008-09</b> |
| Total Income                             | <b>144.84</b>  | 213.08         |
| Total Expenditure                        | <b>113.92</b>  | 172.16         |
| Profit before Tax                        | <b>30.92</b>   | 40.92          |
| Less : Provision for Taxation            | <b>(5.87)</b>  | 3.08           |
| Profit after Tax                         | <b>36.79</b>   | 37.84          |
| Balance of Profit b/f                    | <b>101.40</b>  | 103.66         |
| Profit available for appropriation       | <b>138.19</b>  | 141.50         |
| Less : (i) Proposed Dividend             | <b>30.00</b>   | 30.00          |
| Less : (ii) Tax on Dividend              | <b>5.10</b>    | 5.10           |
| Less : (iii) Transferred to Reserve Fund | <b>5.00</b>    | 5.00           |
| Balance carried to Balance Sheet         | <b>98.09</b>   | 101.40         |

### 2. DIVIDEND :

The Board of Directors have recommended dividend @ 10% on the paid up equity share capital of the company for the year ended 31<sup>st</sup> March, 2010. The dividend will be paid when declared by the shareholders in accordance with law. The dividend will be free of tax in the hands of shareholders. However, the company will have to pay dividend distribution tax plus applicable surcharge and education cess.

### 3. OPERATIONS / REVIEW OF PERFORMANCE :

The Performance of the Company was reasonably good for the Financial year 2009-2010. The Medical Transcription business is doing good inspite of global recession.

### 4. DIRECTORS:

Shri B.N. Rathi and Dr. B. Priyadarshini Directors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Provisions of Sec.217 (2AA) of the Companies Act,1956 Directors of your Company hereby confirm that:

- The Annual Accounts of the Company have been prepared in accordance with applicable Accounting Standards.
- The Company has been consistently following selected accounting policies and made judgement 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 account of the Company.
- The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.



## BNR UDYOG LIMITED

### 6. AUDITORS:

M/s Laxminiwas & Jain, Chartered Accountants retire at the conclusion of the Annual General Meeting and are recommended for re-appointment. The necessary certificate from the Auditors has been received to the effect that their re-appointment if made, would be within the prescribed limits u/s 224 (1B) of the Companies Act, 1956.

### 7. PARTICULARS OF EMPLOYEES:

None of the employees who are employed throughout the year are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended from time to time.

### 8. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

The Provisions of the Companies (disclosure of particulars in report of Board of Directors) Rules, 1988 relating to conservation of energy are not applicable and since the company is not engaged in any manufacturing or processing activities, there is no information to be disclosed under this head.

### 9. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the financial year 2009-2010 receipts from Medical Transcription Division of the Company stood at Rs.1,09,29,398/- equivalent to US \$2,29,664.

### 10. LISTING :

The Equity Shares of your Company are listed at The Bombay Stock Exchange Ltd., and the requisite Annual Listing Fee is paid.

### 11. FIXED DEPOSIT :

Your Company has not accepted any deposits U/S 58A and as such no amount of Principal or Interest was outstanding on the date of the Balance Sheet.

### 12. CORPORATE GOVERNANCE :

Your company has complied with the applicable provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance followed by the Company together with the Certificate from the Auditors of the Company confirming Compliance is set out in the Annexure forming part of this Report.

### 13. SEGMENTWISE PERFORMANCE :

Your Company considers Medical Transcription, Investment in shares and Real Estates as the primary segment for reporting.

### 14. ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the Government Authorities, Securities and Exchange Board of India, The Bombay Stock Exchange Ltd., The National Commodity & Derivatives Exchange Ltd., Reserve Bank of India and STPI. Your Directors also acknowledge the continued support given by Business Associates and the sincere and dedicated services of the employees of the Company at all levels. Your Directors also like to express their thanks to the shareholders for the confidence which they reposed in them.

On behalf of the Board of Directors,  
Sd/-

Place : Hyderabad  
Date : 30.07.2010

**B. N. RATHI**  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure & Development

BNR Udyog Limited is carrying on Medical Transcription, Construction and Financial activities. It is a Member of the National Commodities and Derivatives Exchange Limited and also Multi Commodity Exchange of India. The company is working for U.S. clients and the Medical Transcription business is satisfactory and the company's earnings in the foreign exchange is steady and encouraging.

### Opportunities & Strength

- Medical Transcription is in demand.
- Overseas companies are outsourcing their work due to low operating cost.
- Good Clientele.
- Dedicated and trained personnel.

### Outlook

The company is looking for opportunities in the areas Medical Transcription and real estate. At present the company is working for a good number of clients and expects to grow considerably.

### Risk & Concerns

This industry is depended on overseas companies, trained manpower and global policies. Shortage of Manpower and change in global policies will affect the growth of the company. Any fluctuation in the dollar rate will also affect the profitability of the company.

### Internal control system

The company has adequate internal control systems and procedures. Quarterly Internal Audits, Limited Review by Statutory Auditors and Audit Committee Meetings, ensure the quality of internal checks. There is proper safe guard of assets through internal control system.

### Human Resource

The company believes that maintainence of accuracy level and quality of work of its employees is the key to its success in the long run and the company is committed to provide necessary human resources development and training to maintain this.



# BNR UDYOG LIMITED

## CORPORATE GOVERNANCE REPORT (As on 31.3.2010)

### I. Philosophy

Corporate governance is the combination of good practice and compliance with laws and regulations leading to effective control and management of the organization. It is an on going process thereby ensuring transparency accountability & responsibility in our dealing with people working with it at all levels. The company believes that all its operations and actions must serve the goal of enhancing company value and retain shareholders trust over a period time. All mandatory compliances are complied and various committees are constituted as per the clause 49 of the Listing Agreement with the stock exchanges.

### II. Board of Directors

#### a) Composition

| Category              | No.of Directors | Non-Executive | Executive |
|-----------------------|-----------------|---------------|-----------|
| Promoter Directors    | 2               | 1             | 1         |
| Independent Directors | 3               | 3             | -         |

#### b) Total No.of Board Meetings During the Year

|                | Date       |
|----------------|------------|
| First Meeting  | 29.04.2009 |
| Second Meeting | 29.07.2009 |
| Third Meeting  | 29.10.2009 |
| Fourth Meeting | 29.01.2010 |

#### c) Attendance of each Director at the Board Meeting during the year and at Last Annual General Meeting including other Directorship

| Name of the Director  | Attendance    |          | No. of other Directorship | Other outside Committee Membership |
|-----------------------|---------------|----------|---------------------------|------------------------------------|
|                       | Board Meeting | Last AGM |                           |                                    |
| Shri B.N.Rathi        | 4             | No       | 3                         | 1                                  |
| Shri J.Vikram Dev Rao | 3             | Yes      | 1                         | Nil                                |
| Shri T. Bharadwaj     | 4             | Yes      | Nil                       | Nil                                |
| Dr. B. Priyadarshini  | 4             | Yes      | Nil                       | Nil                                |
| Shri Kamal Rathi      | 3             | Yes      | Nil                       | Nil                                |



## BNR UDYOG LIMITED

### III. Audit Committee Composition

| Name of Member                   | Category                    | Attendance |
|----------------------------------|-----------------------------|------------|
| Shri J.Vikram Dev Rao – Chairman | - Independent Non-Executive | 3          |
| Shri T. Bharadwaj – Member       | - Independent Non-Executive | 4          |
| Dr. B. Priyadarshini – Member    | - Independent Non-Executive | 4          |
| Shri B.N.Rathi – Member          | - Promoter Non-Executive    | 4          |

During the Financial year four Audit Committee meetings were held on 29.04.2009, 29.07.2009, 29.10.2009 and 29.01.2010.

The functions of the Audit Committee include

- review with the management the quarterly, half yearly and annual financial statements before submission to the Board; focusing primarily on
  - review with the management the performance of Statutory Auditors, Internal Auditors and the adequacy of Internal control system
  - Review the company's accounting policies
  - Any changes in accounting policies and practices:
    - reviewing
    - The going concern assumption;
    - Compliance with accounting standards;
    - Compliance with Stock Exchanges and legal requirements concerning; Financial statements;
  - Any related party transactions i.e transactions of the company of material nature with promoters or the management or their subsidiaries or relatives etc, that may have potential conflict with the interests of the company at large;
- i) reviewing the adequacy of the internal audit function, discussion with the internal auditors any significant findings and followup thereon;
  - ii) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - iii) discussion with the external auditors before the audit commence nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - iv) reviewing the company's financial and risk management policies;

### IV Remuneration Committee

|                       |   |          |
|-----------------------|---|----------|
| Shri J. Vikramdev Rao | - | Chairman |
| Shri T. Bharadwaj     | - | Member   |
| Dr. B. Priyadarshini  | - | Member   |





## BNR UDYOG LIMITED

The committee met on 18.01.2010 to review and fix the remuneration and perquisites payable to Shri Kamal Rathi on his re-appointment as the Managing Director of the company. None of the Directors are paid any remuneration except sitting fees.

### Details of remuneration of all Directors during the Financial year.

| Name                  | Designation  | Sitting fee<br>Rs. | Salary & Benefits<br>Rs. |
|-----------------------|--------------|--------------------|--------------------------|
| Shri B.N.Rathi        | Director     | 6000               | -                        |
| Shri J.Vikram Dev Rao | Director     | 4500               | -                        |
| Shri T. Bharadwaj     | Director     | 6000               | -                        |
| Dr. B. Priyadarshini  | Director     | 6000               | -                        |
| Shri Kamal Rathi      | Mg. Director | -                  | 5,83,227                 |

### V. Shareholder Investor Grievances Committee

- Name of non-executive director heading the committee : Shri B.N.Rathi
- Name and designation of compliance officer : Mrs. Madhuri Joshi Asst.Co.Secretary  
email : bnrul\_investor@yahoo.com
- Number of shareholders complaints received so far : ONE
- Number not solved to the satisfaction of share holders: NIL
- Number of pending complaints : NIL

### VI. General Body Meetings :

- Location and time, where last three AGMs held :

| Date held on | Time       | Venue  | No. of Special<br>Resolution passed |
|--------------|------------|--|-------------------------------------|
| 10.09.2009   | 10.30 a.m. | Rajasthani Graduates Association<br>5-4-790/1, 1st Flr. Abids, Hyderabad | Nil                                 |
| 25.09.2008   | 9.30 a.m.  | Rajasthani Graduates Association<br>5-4-790/1, 1st Flr. Abids, Hyderabad | 02                                  |
| 22.09.2007   | 10.30 a.m. | Rajasthani Graduates Association<br>5-4-790/1, 1st Flr. Abids, Hyderabad | Nil                                 |

Postal Ballot - No special Resolution requiring a postal ballot under section 192A of the Companies Act, 1956 was placed before the last AGM. Similarly no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

### VII. Disclosures

No transaction of material nature has been entered into by the company with its Directors or Management and their relatives etc. that may have a potential conflict with the interest of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.



## BNR UDYOG LIMITED

Disclosure on materially significant related party transactions is made in note 4 under Schedule XII forming part of the accounts in accordance with provisions of accounting standard 18.

No penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the period under review.

CEO and CFO Certification : The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause-49 of the Listing Agreement.

### VIII. Means of Communication

The quarterly, half-yearly and yearly financial results of the company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in Business Standard (English) and Andhra Prabha (Telugu) news paper.

Management Discussion and Analysis forms part of the Annual Report.

### IX. General Shareholder Information

- i) Annual General Meeting
  - Date : 22nd September, 2010
  - Time : 10.00 a.m.
  - Venue : Rajasthani Graduates Association
- ii) Financial Year : 1st April, 2009 to 31st March, 2010
- iii) Date of Book Closure : 13th September, 2010 to 22nd September, 2010
- iv) Listing on Stock Exchanges : BSE
- v) Stock Code : 530809-BSE
- vi) Stock Market Data : Insignificant trading with another significantly lower than par value of Rs. 10/- per share.

The details of monthly highest and lowest closing quotations of the equity shares of the company at the Bombay Stock Exchange Ltd. during financial year 2009-2010 are as under :-

#### Quotation at Bombay Stock Exchange Ltd.

| Month     | High  | Low   | Month    | High  | Low   |
|-----------|-------|-------|----------|-------|-------|
| April     | 7.47  | 5.80  | October  | 12.83 | 10.15 |
| May       | 8.17  | 6.72  | November | 11.95 | 9.39  |
| June      | 9.53  | 7.35  | December | 13.09 | 11.22 |
| July      | 13.49 | 8.54  | January  | 13.90 | 11.85 |
| August    | 14.56 | 12.31 | February | 13.85 | 10.66 |
| September | 13.94 | 12.40 | March    | 13.38 | 11.18 |