

BNR UDYOG LIMITED



**21st Annual Report
2014-2015**

TWENTYFIRST ANNUAL GENERAL MEETING

Day : Thursday Date : 03-09-2015 Time : 10-30 A.M.

Venue : Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad -500 082

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CORPORATE INFORMATION

1. **BOARD OF DIRECTORS:**
 - Mr. J. Vikramdev Rao - Non Executive & Independent Director (DIN: 00173556)
 - Mr. T. Bharadwaj - Non Executive & Independent Director (DIN: 00211834)
 - Dr. Priyadarshini Manvikar - Non Executive & Independent Director (DIN: 02268397)
 - Mr. Kamal Narayan Rath - Managing Director (DIN: 00011549)
 - Mr. Sandeep Rath - Executive Director cum CFO (DIN: 05261139)
2. **COMPANY SECRETARY** : Ms. Sonal Agarwal
3. **REGISTERED OFFICE** : 6-3-650, 218, 2nd floor, Maheshwari Chambers,
Somajiguda, Hyderabad - 500082, Telangana, India
Ph No. +91-40-23375791, 23375793
4. **AUDIT COMMITTEE :**
 - Mr. J. Vikramdev Rao - Chairman
 - Mr. T. Bharadwaj - Member
 - Dr. Priyadarshini Manvikar - Member
5. **NOMINATION & REMUNERATION COMMITTEE:**
 - Mr. T. Bharadwaj - Chairman
 - Mr. J. Vikramdev Rao - Member
 - Dr. Priyadarshini Manvikar - Member
6. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**
 - Mr. J. Vikramdev Rao - Chairman
 - Mr. T. Bharadwaj - Member
 - Dr. Priyadarshini Manvikar - Member
 - Mr. Sandeep Rath - Member
7. **RISK MANAGEMENT COMMITTEE:**
 - Mr. Kamal Narayan Rath - Chairman
 - Mr. T. Bharadwaj - Member
 - Mr. Sandeep Rath - Member
8. **INDEPENDENT DIRECTORS COMMITTEE:**
 - Mr. J. Vikramdev Rao
 - Mr. T. Bharadwaj
 - Dr. Priyadarshini Manvikar
9. **AUDITORS** : Laxminiwas & Jain, Chartered Accountants
Station Road, Nampally, Hyderabad - 500001.
10. **BANKERS** : HDFC Bank Ltd.
The A.P. Mahesh Co-op Urban Bank Ltd.
ICICI Bank Ltd.
State Bank of India
11. **REGISTRAR AND SHARE TRANSFER AGENT**
M/s. Karvy Computer Share Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nankramguda, Hyderabad-500 032
Tel : 040-67161500 Fax 040-23001153
12. **LISTED AT** : BSE Limited.
13. **DEMAT ISIN NUMBER IN NSDL & CDSL** : INE355C01016
14. **WEBSITE** : www.bnrul.com
15. **INVESTOR E-MAIL ID** : info@bnrul.com
16. **CORPORATE IDENTITY No.** : L67120AP1994PLC018841

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of M/s. **BNR Udyog Limited** will be held on Thursday, the 3rd day of September, 2015 at 10-30 a.m. at Hotel Inner Circle, Rajbhavan Road, Somajiguda, Hyderabad - 500 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2015.
3. To appoint a director in place of Mr. Kamal Narayan Rathi (DIN: 00011549) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. RE-APPOINTMENT OF MR. KAMAL NARAYAN RATHI (DIN 00011549) AS MANAGING DIRECTOR:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/ agency/board, if any and subject to the approval of the members of the Company, Mr. Kamal Narayan Rathi be and is hereby re-appointed as Managing Director of the Company for a period of five years with effect from January 18th, 2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice"

RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, Allowances etc. within such prescribed limits.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.

6. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY

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

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association

submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

For and on behalf of the Board,

BNR Udyog Limited

sd/-

Kamal Narayan Rathi

Managing Director

DIN : 00011549

Place : Hyderabad

Date : 04-08-2015

NOTES:

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

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy, who shall not act as a proxy for any other person or shareholder. The appointment of a proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28.08.2015 to 03.09.2015 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

8. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
 - a) Beneficial Owners as on 27.08.2015 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
 - b) Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company upto 27.08.2015.
 - c) The dividend on Equity Shares, if declared at the Annual General Meeting, shall be paid on or after 03.09.2015.
9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Karvy Computershare Private Limited.**, Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.

17. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website www.bnrul.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@bnrul.com.

18. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 27.08.2015 are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on Saturday, 29th day of August 2015 and will end at 5.00 p.m. on Wednesday, 2nd day of September, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from Karvy:

- (i) Launch an internet browser and open <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
- (iii) After entering the above details click on - Login.
- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- (v) On successful login, the system will prompt you to select the E-Voting Event
- (vi) Select the EVENT of BNR Udyog Limited and click on - Submit .
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at info@bnrul.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
- (i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.
- | (E-Voting Event Number) | USER ID | PASSWORD |
|-------------------------|---------|----------|
|-------------------------|---------|----------|
- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 27th August, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at Saturday, 29th August 2015 and will end at 5.00 p.m. on Wednesday, 2nd September, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
- Example for NSDL : MYEPWD <SPACE> IN12345612345678
- Example for CDSL : MYEPWD <SPACE> 1402345612345678
- Example for Physical : MYEPWD <SPACE> XXX1234567
- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy's toll free number 1-800-3454-001
- d. Member may send an e-mail request to evoting@karvy.com

- IX. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s Karvy Computershare Private Limited
19. In terms of Companies Act, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2014-15, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2007-2008 to the IEPF on or before 30th Oct, 2015. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 27.08.2015.
21. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board,
BNR Udyog Limited

sd/-

Kamal Narayan Rath
Managing Director
DIN : 00011549

Place : Hyderabad
Date : 04-08-2015

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO.5

The Board of Directors at their meeting held on 12.02.2015 have, subject to the approval of the Shareholders, re-appointed Mr. Kamal Narayan Rath (DIN 00011549) as Managing Director of the Company with effect from 18.01.2015 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein. Taking into consideration the duties and responsibilities shouldered on the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 12.02.2015 approved the remuneration, terms and conditions of the re-appointment of Mr. Kamal Narayan Rath (DIN: 00011549), subject

to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- a) Remuneration: Rs. 75,000/- per month (Rupees Seventy Five Thousand only)
- b) Medical Re-imbursement – 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 in block of three years to be reimbursed.
- c) Leave Travel Concession for self & family once in a year as per 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 a 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 a perquisite.
- i) Telephone at Residence – Free use of telephone at residence for official purpose. This will not be considered as a perquisite.
- j) Leave – On full pay and allowance as per rules of the Company but more than one month's leave for every eleven month's along with 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.

Adequate Profits

Where in any Financial Year, during the tenure of Mr. Kamal Narayan Rathi, the Company has adequate profits; the Company shall pay to Mr. Kamal Narayan Rathi, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

Having regard to the knowledge, experience of Mr. Kamal Narayan Rathi (DIN: 00011549) and considering the recommendations of Nomination & Remuneration committee, the Board accorded its approval at the meeting held on 12th February, 2015 subject to the approval of shareholders of the Company, for revision of the salary payable to Mr. Kamal Narayan Rathi (DIN: 00011549), with in the maximum limit of managerial remuneration (without the approval of the Central Government) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013 till the expiry of his respective tenure. The Nomination & Remuneration committee had approved the remuneration payable to Mr. Kamal Narayan Rathi (DIN: 00011549) by passing the necessary resolution in its meeting held on 12th February, 2015 in terms of Schedule V to the Companies Act, 2013.

It is therefore, proposed that the remuneration as mentioned in the resolution to Mr. Kamal Narayan Rathi (DIN: 00011549) as prescribed under Section 197 read with Schedule V to the Companies Act, 2013, be approved by the shareholders of the company at the forth coming Annual General Meeting, in modification to the earlier resolutions passed by the shareholders of the Company in this regard.