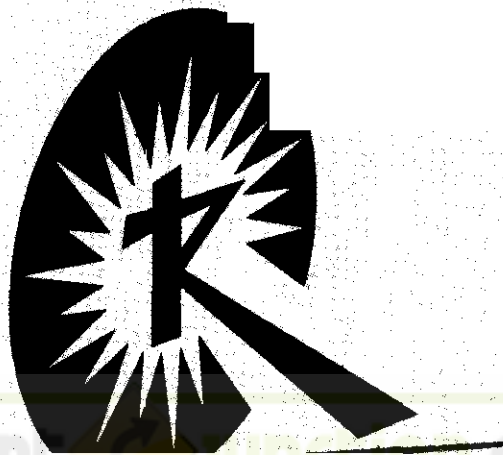




BNR UDYOG LIMITED



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6th Annual Report 2000

**BNR UDYOG LIMITED****BOARD OF DIRECTORS**

Sri B.N.RATHI- Chairman
 Sri L.N. AGARWAL
 Sri J.VIKRAMDEV RAO
 Sri H.N.RATHI
 Sri K.N.RATHI- Managing Director

AUDITORS

M/s. LAKSHMINIWAS & JAIN
 Chartered Accountants,
 Station Road, Nampally,
 Hyderabad - 500 001.

BANKERS

Canara Bank, Hyderabad
 Vijaya Bank, Hyderabad
 HDFC Bank Ltd., Hyderabad.

REGISTERED OFFICE

4-5-173,
 Hashmat Gunj,
 Sultan Bazar,
 Hyderabad - 500 095.

CORPORATE OFFICE

6-3-650,
 218, Maheshwari Chambers
 Somajiguda, Hyderabad-500 082

**REGISTRAR &
SHARE TRANSFER AGENTS**

Karvy Consultants Ltd.,
 "Karvy House"
 46, Avenue 4, St No.1,
 Banjara Hills, Hyderabad-500 034

**STOCK EXCHANGES
(LISTED)**

The Hyderabad Stock Exchange Ltd.,
 3-6-275, Himayatnagar,
 Hyderabad - 500 029.

The Stock Exchange, Mumbai.
 Phiroze jeejeebhoy Towers,
 Dalal Street, Fort,
 Mumbai - 400 001.



BNR UDYOG LIMITED

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of Members of BNR Udyog Limited will be held on 29th Day of September, 2000 at Rajasthani Graduates Association 5-4-790/1, 1st Floor, Abids Road, Hyderabad-500 001, at 10.30 a.m to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, Profit & Loss A/c for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri B.N. Rathi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri H.N. Rathi who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution for re-appointment and fixation of Managerial Remuneration and perks of Sri K.N. Rathi - Managing Director.

"Resolved that Sri K.N. Rathi, be and is hereby re-appointed as Managing Director for a further period of five years with effect from 19-01-2000 on the following terms and conditions, which are subject to the approval of the Share Holders.

1. Remuneration : Rs. 25,000/- (Rupees Twenty five Thousand only) per month.
2. Perquisites :
 - a) 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 a block of three years to be reimbursed
 - b) Leave Travel Concession - self and family including dependent parents to and from any place in India once in a year in accordance with rules of the company.
 - c) Club Fees - Fees of Club to a maximum of two Clubs will be allowed.
 - d) Personal Accident - For an amount to cover within the annual insurance premium which does not exceed Rs. 5000/-



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- e) Provident Fund - Company's Provident Fund shall be twelve percent of the salary. It will not be taken as perquisite.
- f) Gratuity - Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- g) Car - Free use of Company's Car with driver for Company's business. This will not be considered as perquisite.
- h) Telephone at Residence -Free use of telephone at residence for official purpose. This will not be considered as perquisite.
- i) Leave - On full pay and allowances as per rules of the Company but not more than one month's leave for every eleven months service to be allowed. Leave not availed would be allowed to be encashed.
- j) Entertainment Expenses - The appointment shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

6. To consider and if thought fit to pass, with or without modifications, the following as Special Resolutions:

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enhancement thereof, the Articles of Association of the Company be and is hereby altered to the extent and in the manner set out hereunder:

(I) RESOLVED THAT -

A. In Article 1 (2) -

"Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository" shall mean a Depository as defined in the Depositories Act, 1996.

"Register of Members" or "Register" means the Register of Members to be kept pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares held in a Depository.

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"Shareholders" or "Members" means a duly registered holder from time to time of the shares of the Company and also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in Depository.

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

DEMATERIALISATION AND DEPOSITORY

"Authority to
Dematerialise
Securities"

Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as 'securities') in dematerialised form under the provisions of the Depositories Act and may offer the securities of the Company for subscription / allotment in dematerialised form in the manner provided by the said Act.

When any securities of the Company are held or dealt in dematerialised form -

"Option to hold
securities in
certificates or with
Depository"

Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository.

"Securities with
Depository to be
dematerialised"

(b) All securities held with a depository shall be dematerialised and the depository shall hold the same for the beneficial owners thereof in a fungible form.

"Beneficial Owner
is member"

(c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits

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and be subject to all the liabilities in respect of securities held by him in a depository.

"Beneficial Owner
may opt out of a
Depository"

Every person holding securities of the Company with a depository being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and payment of the fees prescribed under the said Act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

"Intimation to
Depository"

The Company shall make available to the depository copies of relevant records in respect of securities held by such depository for the beneficial owners thereof.

When a holder or an allottee of securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders / allottees as the beneficial owners of such securities.

"Register and
Index of
Beneficial
Owners"

The Register and Index of Beneficial Owners of securities maintained by a depository under Section 11 of the Depositories Act shall deemed to be and forming part of the Register and Index of Members or of Holders of Debentures or other securities of the Company.

"Transfer of
securities
held in a
Depository"

Transfers of Securities held in a depository will be governed by the provisions of the Depositories Act.

Every depository shall furnish to the Company information about the transfer of securities, the name of beneficial owners at such intervals and in such a manner as may be specified under the provisions of the Depositories Act.

Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

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A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the register of Beneficial Owners maintained by a Depository shall be entitled to all rights including voting rights and benefits in respects of securities held by him with the Depository.

In respect of the shares or other securities of the Company held in dematerialised form, the provisions relating to joint holders contained in these Articles shall mutatis mutandis apply to the joint beneficial owners.

(II) "**RESOLVED** that the following two new Articles be inserted under the heading 'NOMINATION INTER VIVOS':

NOMINATION INTER VIVOS

"Nomination"

Every holder of shares in, or debentures of, the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in, or debentures of, the Company shall vest in the event of death of such holder.

Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the holder, or as the case may be, on the death of the joint holders of shares or debentures become entitled to all the rights of the deceased holder or, as the case may be, of all the deceased joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the provisions of the Act.



"Transmission
in the name
of nominee"

Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint, in the manner prescribed under the provisions of the Act, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

The provisions of this Article shall apply mutatis mutandis to a depositor of money with the Company as per the provisions of Section 58A of the Act.

Any person who becomes a nominee by virtue of the provisions of Article 40A, upon production of such evidence as may be required by the Board and subject as hereinafter provided, shall elect, either -

to be registered himself as holder of the shares or debentures, as the case may be; or

to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debentureholder, could have made.

If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the certificate of death of the deceased holder and the certificate (s) or debentures as the case may be held by the deceased in the Company.

Subject to the provisions of Section 109B (3) of the Act and these Articles, the Board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or debentures had not occurred and the notice or transfer were a transfer signed by the registered holder.

A nominee on becoming entitled to any shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered as a holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debentures holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or

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debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with."

BY ORDER OF THE BOARD,

Place : Hyderabad
Date : 31-07-2000

K. N. RATHI
Managing Director

NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such 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 12th September, 2000 to 29th September, 2000 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify immediately any change in their address to the Company.
5. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
6. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for shareholders in respect of the shares held by them. Members desirous of making a nomination are requested to send the enclosed Nomination Form 2B duly completed to the Share transfer agents, Karvy Consultants Limited, Hyderabad.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No.5**

Shri K.N. Rathi's present five years term of offices as the Managing Director of the Company expires on 18th January, 2000. Shri K.N. Rathi has been in office as Managing Director since 18th January, 1995, thus completing a period of five years. During the tenure of Shri K.N. Rathi as the Managing Director, the Company has made considerable progress in all the spheres and has since acquired good name and reputation in business.