



**BNR UDYOG LIMITED**



ReportJunction.com

**13<sup>th</sup> Annual Report  
2006 - 2007**



## BNR UDYOG LIMITED

<b>Board of Directors</b>	: Shri B. N. Rathi - Chairman Shri J. Vikramdev Rao Dr. Sudhir Naik Shri H. N. Rathi Shri T. Bharadwaj Shri Kamal Rathi - Managing Director
<b>Auditors</b>	: M/s. Lakshminiwas & Jain, Chartered Accountants, Station Road, Nampally, Hyderabad - 500 001.
<b>Bankers</b>	: HDFC Bank Ltd. Canara Bank Ltd. The A.P. Mahesh Co-op. Urban Bank Ltd.
<b>Registered Office</b>	: 4-5-173, Hashmat Gunj, Sultan Bazar, Hyderabad - 500 095 Ph. : 24755239, 24755240
<b>Corporate Office</b>	: 218, 2nd Floor, Maheshwari Chambers, Somajiguda, Hyderabad - 500 082
<b>Registrar &amp; Share Transfer Agents</b>	: Karvy Computer Share Private Limited "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Ph. : 23312454, 23320751
<b>Stock Exchanges (Listed)</b>	: The Hyderabad Stock Exchange Ltd., 6-3-654, Somajiguda, Hyderabad  Bombay Stock Exchange Ltd., Phiroze, Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001



## BNR UDYOG LIMITED

### NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of BNR Udyog Limited will be held on Saturday, the 22nd day of September 2007, at 10-30 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, 2007, 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 J. Vikramdev Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Sudhir Naik who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri T. Bharadwaj who retires by rotation and being eligible offers himself for re-appointment.
6. 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.

BY ORDER OF THE BOARD,

Place : Hyderabad  
Date : 30.07.2007

**KAMAL RATHI**  
Managing Director

#### 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 16th September, 2007 to 22nd September, 2007 (both days inclusive).
4. Dividend on equity shares as recommended by the Directors for the financial year 31st March, 2007 when declared at the meeting will be paid on or after 10th October, 2007 to those shareholders whose names stand on the company's Register of Members as on 22nd September, 2007.
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.



## BNR UDYOG LIMITED

**A brief resume of Shri.J. Vikramdev Rao, Dr. Sudhir Naik and Shri T. Bharadwaj as per clause 49 of the Listing Agreement.**

Shri J. Vikramdev Rao, has been the director of the company since the inception. He is a bachelor in Medicine and Science and has vast experience in the field of banking and other financial activities. He is the Chairman of the Audit Committee. His rich experience and able guidance has been used by the company from time to time to help in the company's growth and we expect the same in future also. Hence, his re-appointment as a Director is recommended.

Dr. Sudhir Naik, is a well known Cardiologist and is the director of the company since 2001. He has very good experience and knowledge in the field of Medicine. The company has benefited a lot in the medical transcription field from his valuable advice. He is also a member of the Audit Committee. Hence, his re-appointment as a Director is recommended.

Shri T. Bharadwaj, is a practising Chartered Accountant and is well known in the taxation area. He has immense knowledge in the area of taxation and accounting which helps the company in fulfilling the taxation and accounting requirements. He is also a member of the Audit Committee. He is seeking re-appointment for the first time. Hence, his re-appointment as a Director is recommended.

Report  Junction.com

BY ORDER OF THE BOARD,

Place : Hyderabad  
Date : 30.07.2007

**KAMAL RATHI**  
Managing Director



# BNR UDYOG LIMITED

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of your company together with the Audited Statement of Accounts for the year ending 31<sup>st</sup> March, 2007.

### 1. FINANCIAL RESULTS :

The financial results for the year ended 31<sup>st</sup> March, 2007 are summarised as under :

		(Rs. in Lakhs)
	<u>2006-07</u>	<u>2005-06</u>
Total Income	203.51	204.16
Total Expenditure	153.08	148.47
Profit before Tax	50.43	55.69
Less : Provision for Taxation (Deferred Tax)	7.37	2.83
Profit after Tax	43.06	52.86
Balance of Profit b/f	67.29	48.38
Add : Previous Year Tax	5.85	----
Profit available for appropriation	116.20	101.24
Less : (i) Proposed Dividend	21.00	21.00
Less : (ii) Tax on Dividend	3.57	2.95
Less : (iii) Transferred to Reserve Fund	10.00	10.00
Balance carried to Balance Sheet	81.63	67.29

### 2. DIVIDEND :

The Board of Directors have recommended dividend @ 7% on the paid up equity share capital of the company for the year ended 31<sup>st</sup> March, 2007. 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 2006-2007. The Company is concentrating more on its Medical Transcription division by trying to acquire more work, hence increasing the production. The commodity market division of the company is showing a slow growth now, is being pushed up by trying to acquire more clients from all over the country.

### 4. DIRECTORS:

Shri J. Vikramdev Rao, Dr. Sudhir Naik and Shri T. Bharadwaj 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



## BNR UDYOG LIMITED

guarding assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The Annual Accounts have been prepared on a going concern basis.

### 6. AUDITORS:

M/s Lakshminiwas & 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 year 2006-2007 receipts from Medical Transcription Division of the Company stood at Rs.1,62,93,460/- equivalent to US \$3,61,689.98.

### 10. LISTING :

The Equity Shares of your Company are listed at The Hyderabad Stock Exchange Ltd. and The Bombay Stock Exchange Ltd. The requisite Annual Listing Fees of both the Exchanges are 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, NCDEX and its related activities 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 Hyderabad Stock Exchange Ltd., The Bombay Stock Exchange Ltd. and 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.

By Order of the Board of Directors,

Place : Hyderabad  
Date : 30.07.2007

**B. N. RATHI**  
Chairman



## BNR UDYOG LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure & Development

BNR Udyog Limited is engaged in Medical Transcription, Construction and Financial activities. The company is also a Member of the National Commodities and Derivatives Exchange Limited. The Medical Transcription division of the company has procured good number of clients through a U.S. based company. The clientele in Commodity Market is increasing gradually. Your Directors are confident of further improving business results in the years to come. The company's earnings in foreign exchange is steady and encouraging.

#### Opportunities & Strength

- Medical Transcription is a growing industry and has a growth potential.
- Most of the Global companies are outsourcing their work to reduce their operating cost.
- Turn Around Time and Accuracy is the basic of client confidence.
- Work force Dedication.

#### Outlook

Since most of the overseas companies are outsourcing their work our company has a chance to diversify into new activity like legal transcription, medical billing, coding and data entry.

#### Risk & Concerns

- Medical Transcription industry is based totally on man power. Accuracy and turn around time is the major criteria and this has to be maintained at all levels.
- If accuracy comes down below 98.5% Company will loose the clients/business and this will directly effect the profitability of the company.
- Trained and experienced man power required.
- Dollar Rate Fluctuation .
- Outsourcing may or may not continue.
- Introduction of Voice Recognition Software, shortage of manpower.
- In the commodity sector the market is volatile with fluctuations.

#### Internal control system

Our company is having an adequate internal control system. 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

One of the foremost intention of the Management is to maintain accuracy level while transcribing the Medical Report. In this direction your company imparts training to fresh graduates and later absorbs them in the production unit in the regular work.



# BNR UDYOG LIMITED

## CORPORATE GOVERNANCE REPORT (As on 31.3.2007)

### I. Philosophy

BNR Udyog Limited is committed to good corporate governance. Ensures that the decision making is transparent and documentary evidence is traceable through minutes of the meetings of the Board/Committees thereof. Our pursuit towards achieving good governance is an ongoing process thereby ensuring transparency, accountability and responsibility in our dealings with people working with it at all levels. The Management places on record that the mandatory compliances are complied and the various committees are constituted in accordance with provisions as suggested in 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	3	2	1
Independent Directors	3	3	-

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

	Date
First Meeting	24.04.2006
Second Meeting	29.07.2006
Third Meeting	28.10.2006
Fourth Meeting	29.01.2007

#### 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	Yes	5	1
Shri J.Vikram Dev Rao	4	Yes	4	Nil
Dr.Sudhir Naik	3	Yes	2	Nil
Shri T. Bharadwaj	4	Yes	Nil	Nil
Shri H.N.Rathi	4	Yes	1	Nil
Shri Kamal Rathi	4	Yes	1	Nil





## BNR UDYOG LIMITED

### III. Audit Committee Composition

Name of Member	Category	Attendance
Shri J. Vikram Dev Rao	– Chairman - Independent Non-Executive	4
Dr. Sudhir Naik	– Member - Independent Non-Executive	3
Shri T. Bharadwaj	– 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 24.04.2006, 29.07.2006, 28.10.2006 and 29.01.2007.

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 have 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
Shri H.N.Rathi	-	Member



## BNR UDYOG LIMITED

The committee did not meet this year since the company has only one Managing Director whose appointment and remuneration was fixed in terms of the resolution passed by the members. None of the other Directors are paid any remuneration except sitting fees.

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

Name	Designation	Sitting fee Rs.	Salary & Benefits Rs.
Shri B.N.Rathi	Chairman	5500	-
Shri J.Vikram Dev Rao	Director	5500	-
Dr.Sudhir Naik	Director	5500	-
Shri T. Bharadwaj	Director	5500	-
Shri H.N.Rathi	Director	3500	-
Shri Kamal Rathi	Mg. Director	-	5,40,766

### 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
- Number of shareholders complaints received so far : Two
- Number not solved to the satisfaction of shareholders : 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 Resolution passed
29.09.2006	9.30 a.m.	Hotel Quality Inn, Residency Nampally, Hyderabad	Nil
19.09.2005	9.30 a.m.	Rajasthan Graduates Association 5-4-790/1, 1st Flr. Abids, Hyderabad	03
31.08.2004	4.30 p.m.	"	Nil

Postal Ballot - No special Resolution requiring a postal ballot under section 192 A 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.