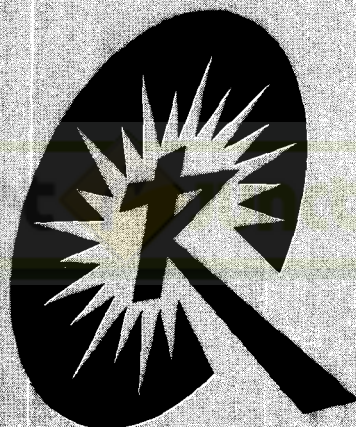




**BNR UDYOG LIMITED**



**15<sup>th</sup> Annual Report  
2008-2009**



## BNR UDYOG LIMITED

<b>Board of Directors</b>	: Shri B. N. Rathi - Chairman Shri J. Vikramdev Rao Shri T. Bharadwaj Dr. B. Priyadarshini Shri Kamal Rathi - Managing Director
<b>Auditors</b>	: M/s. Laxminiwas & 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>	: 218, 2nd Floor, Maheshwari Chambers, Somajiguda, Hyderabad - 500 082 Ph. : 23375791, 23375793
<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
<b>Stock Exchanges (Listed)</b>	: Bombay Stock Exchange Ltd. Phiroze, Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001



## BNR UDYOG LIMITED

### NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of BNR Udyog Limited will be held on Thursday, the 10th day of September 2009, 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, 2009 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 Shri T. Bharadwaj who retires by rotation and being eligible offers himself 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.

#### 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 1st September, 2009 to 10th September, 2009 (both days inclusive).
4. Dividend on equity shares as recommended by the Directors for the financial year 31st March, 2009 when declared at the meeting will be paid on or after 25th September, 2009 to those shareholders whose names stand on the company's Register of Members as at the opening hours of 1st September, 2009.
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 : 29.07.2009

**KAMAL RATHI**  
Managing Director



## BNR UDYOG LIMITED

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

Shri J. Vikramdev Rao a Bachelor in Medicine and Science is the director of the company since inception. He has a vast experience in the field of banking and other financial related activity. He is the chairman of the Audit Committee and his guidance and knowledge is essential for the growth of the company. Hence his re-appointment as a Director is recommended.

Shri. T. Bharadwaj, a practicing chartered accountant is the director of the company since 2005. He is also a member of the audit committee and his experience and guidance in the field of taxation is of immense help to the company. Hence, his re-appointment as a director is recommended.

BY ORDER OF THE BOARD,

Place : Hyderabad  
Date : 29.07.2009

**KAMAL RATHI**  
Managing Director





## BNR UDYOG LIMITED

### DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of your company together with the Audited Statement of Accounts for the year ending 31<sup>st</sup> March, 2009.

#### 1. FINANCIAL RESULTS :

The financial results for the year ended 31<sup>st</sup> March, 2009 are summarised as under :

		(Rs. in Lakhs)
	<u>2008-09</u>	<u>2007-08</u>
Total Income	213.08	198.09
Total Expenditure	172.16	124.50
Profit before Tax	40.92	73.59
Less : Provision for Taxation	3.08	16.99
Profit after Tax	37.84	56.60
Balance of Profit b/f	103.66	81.63
Profit available for appropriation	141.50	138.23
Less : (i) Proposed Dividend	30.00	21.00
Less : (ii) Tax on Dividend	5.10	3.57
Less : (iii) Transferred to Reserve Fund	5.00	10.00
Balance carried to Balance Sheet	101.40	103.66

#### 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, 2009. 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 2008-2009. With the recession hitting the global market the company's outsourcing activity is affected to a certain extent. The commodity market is also being affected and is being highly volatile.

#### 4. DIRECTORS:

Shri J. Vikramdev Rao and Shri T. Bharadwaj Directors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Dr. Sudhir Naik and Shri H.N. Rathi resigned from the Directorship of the company with effect from 20.10.2008 and 01.04.2009 on account of their pre-occupation. The Board while accepting their resignations expressed its appreciation for the services and guidance rendered by them as Directors of the company.

#### 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





## BNR UDYOG LIMITED

irregularities.

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

### 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 2008-2009 receipts from Medical Transcription Division of the Company stood at Rs.1,26,46,824/- equivalent to US \$2,71,599.

### 10. LISTING:

The Equity Shares of your Company are listed at The Bombay Stock Exchange Ltd., and the requisite Annual Listing Fees for the same 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, 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, Bombay Stock Exchange Ltd., The National Commodity & Derivatives Exchange Ltd., Reserve Bank of India, STPI and Multi Commodity Exchange of India Ltd. 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,

Place : Hyderabad  
Date : 29.07.2009

**B. N. RATHI**  
Chairman



## BNR UDYOG LIMITED

### 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 company is optimistic of improving further business with some more overseas clients. The company's earnings in the foreign exchange is steady and encouraging.

#### Opportunities & Strength

Medical Transcription industry has good growth potential inspite of the global recession. The company is negotiating with other companies in U.S.A. and is hopeful to enter into new agreements and tie ups.

#### Outlook

The company is looking for opportunities in the areas of real estate. No sooner the real estate market recovers the company is hopeful of getting new business and diversify into this activity also.

#### 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 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 31.3.2009)

#### I. Philosophy

BNR Udyog Limited follows the good corporate governance practices to bring about transparency, accountability and equity in its operations and documentary evidence is traceable through minutes of the meetings of the Board/committees. 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	3	2	1
Independent Directors	3	3	-

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

	Date
First Meeting	29.04.2008
Second Meeting	30.07.2008
Third Meeting	25.10.2008
Fourth Meeting	30.01.2009

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

\*Dr. Sudhir Naik resigned from the company with effect from 20.10.2008

\*Shri H.N. Rathi resigned from the company with effect from 01.04.2009





## BNR UDYOG LIMITED

### III. Audit Committee Composition

Name of Member	Category	Attendance
Shri J. Vikram Dev Rao – Chairman	- Independent Non-Executive	3
Dr. Sudhir Naik* – Member	- Independent Non-Executive	2
Shri T. Bharadwaj – Member	- Independent Non-Executive	4
Dr. B. Priyadarshini – Member	- Independent Non-Executive	3
Shri B.N.Rathi – Member	- Promoter Non-Executive	4

\*Dr. Sudhir Naik resigned from the company with effect from 20.10.2008

During the Financial year four Audit Committee meetings were held on 29.04.2008, 30.07.2008, 25.10.2008 and 30.01.2009.

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
Shri H.N.Rathi	-	Member

\*Shri H.N. Rathi resigned from the company with effect from 01.04.2009



## 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	4000	-
Shri J.Vikram Dev Rao	Director	4000	-
Dr.Sudhir Naik	Director	2000	-
Shri H.N.Rathi	Director	3000	-
Shri T. Bharadwaj	Director	4000	-
Dr. B. Priyadarshini	Director	3000	-
Shri Kamal Rathi	Mg. Director	-	6,50,910

\*Dr. Sudhir Naik resigned from the company with effect from 20.10.2008

\*Shri H.N. Rathi resigned from the company with effect from 01.04.2009

### 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 Resolution passed
25.09.2008	9.30 a.m.	Rajasthan Graduate Association 5-4-790/1, 1st Flr. Abids, Hyderabad	02
22.09.2007	10.30 a.m.	Rajasthan Graduate Association 5-4-790/1, 1st Flr. Abids, Hyderabad	Nil
29.09.2006	9.30 a.m.	Hotel Quality Inn, Residency	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