

# **BNR UDYOG LIMITED**



**28<sup>TH</sup> ANNUAL REPORT  
2021-2022**

**TWENTY EIGHTH ANNUAL GENERAL MEETING**  
Day : Tuesday Date : 30th August 2022 Time: 10.00 AM

**Index**

<b>S No</b>	<b>Contents</b>	<b>Page No</b>
1	Corporate Information	2
2	Notice of Annual General Meeting	3-20
3	Directors Report	21-47
4	Secretarial Audit Report Form MR-3	48-51
5	Management Discussions & Analysis	52-54
6	Independent Auditors Report	55-64
7	Balance Sheet	65
8	Profit & Loss Account	66
9	Cash Flow Statement	67
10	Notes Forming part of the Financial Statements	68-90

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Kamal Narayan Rathi	-	Managing Director	(DIN: 00011549)
Mr. Sandeep Rathi	-	Executive Director cum CFO	(DIN: 05261139)
Mr. J. Vikramdev Rao	-	Independent Director	(DIN: 00173556)
Mr. T. Bharadwaj	-	Independent Director	(DIN: 00211834)
Dr. M. Priyadarshini	-	Independent Director	(DIN: 02268397)

### COMPANY SECRETARY

Ms. Sonal Agarwal	-	Company Secretary	(M-No: 29790)
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### REGISTERED OFFICE

6-3-650, 218, 2nd floor, Maheshwari Chambers,  
Somajiguda, Hyderabad – 500082, Telangana.  
Ph.No. 91-40-23375791, 23375793.

### CORPORATE IDENTITY NUMBER

L67120TG1994PLC018841

### STATUTORY AUDITORS

M/s. Laxminiwas & Co.,  
Chartered Accountants  
6-3-569, 4th Floor,  
Opp: RTA Office,  
Above BMW Showroom,  
Khairtabad, Hyderabad - 500082.  
Telangana. India.

### INTERNAL AUDITOR

M/s. P P K G & Co.  
Chartered Accountants,  
5-8-352, 701,  
Raghava Ratna Towers,  
7th Floor, Chirag ali lane,  
Hyderabad – 500001  
Telangana.

### SECRETARIAL AUDITOR

M/s. S.S.Reddy & Associates  
Practicing Company Secretaries  
8-2603/23/3, & 8-2-603/23, 15,  
2nd Floor, HSR Summit,  
Road No.10, Banjara Hills,  
Beside No.1 News Channel Office,  
Hyderabad-500034

### AUDIT COMMITTEE:

1. Mr. J. Vikramdev Rao	-	Chairman
2. Mr. T. Bharadwaj	-	Member
3. Dr. M. Priyadarshini	-	Member

### NOMINATION & REMUNERATION COMMITTEE:

1. Mr. T. Bharadwaj	-	Chairman
2. Dr. M. Priyadarshini	-	Member
3. Mr. J. Vikramdev Rao	-	Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

1. Mr. J. Vikramdev Rao	-	Chairman
2. Mr. T. Bharadwaj	-	Member
3. Dr. M. Priyadarshini	-	Member
4. Mr. Sandeep Rathi	-	Member

### BANKERS

HDFC Bank Ltd. Hyderabad  
The A.P. Mahesh Co-op Urban Bank Ltd.,  
Hyderabad

### REGISTRAR & SHARE TRANSFER AGENTS

KFIN Technologies Ltd.  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad-500 032 Toll free no. 1- 800-309-4001

### LISTED AT

BSE Limited.

### DEMAT ISIN NUMBER IN NSDL & CDSL:

INE355C01016

### WEBSITE

www.bnrul.com

### INVESTOR E-MAIL ID

info@bnrul.com

## NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of BNR Udyog Limited will be held on Tuesday 30th August, 2022 at 10.00 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2022, 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 appoint a director in place of Mr. Sandeep Rathi (DIN: 05261139) who retires by rotation and being eligible, offers himself for re-appointment.
3. Re-appointment of M/s. Laxminiwas & Co., Chartered Accountants as the Statutory Auditors of the company To consider and if thought fit, to pass the resolution with or without modification as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/s. Laxminiwas & Co., Chartered Accountants, Hyderabad be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for 2nd term of five (5) consecutive years, from the conclusion this 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting for the financial year 2026-27 on such remuneration may be determined by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** Board of the company be and are hereby authorised to take necessary action in this regard including filing of necessary forms with Registrar of Company, Hyderabad."

### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Sandeep Rathi as Executive 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 Sections 196, 197, 203, read with Schedule V and 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 upon recommendation of the Nomination and Remuneration Committee and Board of the Directors of the Company the consent of the members be and is hereby accorded to reappoint Mr. Sandeep Rathi (DIN: 05261139) as Executive Director of the Company for a period of three years with effect from 14.08.2022 to 13.08.2025 at a remuneration of RS. 1,00,000/- per month.

**"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 is hereby authorized to vary or increase the remuneration inclusive of perquisites, and allowances etc. within such prescribed limits".

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. Sandeep Rathi, remuneration inclusive of all perquisites and allowances not 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”.

**“RESOLVED FURTHER THAT** the Board is 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.”

**5. Re-appointment of Mr. Kamal Narayan Rathi 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 Sections 196, 197, 203, read with Schedule V and 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 upon recommendation of Nomination and Remuneration Committee and Board of the Directors of the Company, the consent of the members be and is hereby accorded to reappoint Mr. Kamal Narayan Rathi (DIN: 00011549) as Managing Director of the Company for a period of three years with effect from 18.01.2023 to 17.01.2026 at a remuneration of RS. 1,20,000/- per month.

**“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 is hereby authorized to vary or increase the remuneration inclusive of perquisites, and allowances etc. within such prescribed limits”.

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. Kamal Narayan Rathi, remuneration inclusive of all perquisites and allowances not 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”.

**“RESOLVED FURTHER THAT** the Board is 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.”

**For and on behalf of the Board of  
BNR Udyog Limited**

**Sd/-  
Kamal Narayan Rathi  
Managing Director  
(DIN: 00011549)**

**Place: Hyderabad  
Date: 03.08.2022**

## **ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **FOR ITEM NO: -3**

The Members of the Company at the 23rd Annual General Meeting ('AGM') held on September 11, 2017, had approved the appointment of M/s. Laxminiwas & Co., Chartered Accountants (ICAI Firm Registration No. 011168S), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 23rd AGM until the conclusion of the 28th AGM. Accordingly, M/s. Laxminiwas & Co., would be completing its first term of five years at the conclusion of this 28th AGM.

Pursuant to Section 139(2) of the Act, the company can reappoint an auditor's firm for a second term of five consecutive years. Accordingly, based on recommendation of the audit committee and the Board in its meeting held on 03.08.2022 reappointed M/s. Laxminiwas & Co., chartered accountants, as statutory auditors of the company for a second term of five consecutive years commencing from the conclusion of 28th AGM till the conclusion of the 33rd AGM to be held in the year 2027 subject to the approval of the members.

M/s. Laxminivas & Co have confirmed that their re-appointment for the second term of Five (5) years, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below:

It is proposed to pay remuneration of Rs. 75,000/- P.A towards statutory audit in accordance with guidelines laid down by SEBI and Companies Act, 2013 for financial year 2022-23 plus applicable taxes along with out-of-pocket expenses and such remuneration and expenses thereafter for the remaining period of future financial years as may be mutually agreed between the Company/ Board of Directors and the said Statutory Auditors.

M/s. Laxminivas & Co., is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm registration Number 011168S. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The audit firm practice has significant experience in auditing listed and large Companies.

The Board recommends the Ordinary Resolution at Item no. 3 of this Notice for the approval of the members.

### **FOR ITEM NO: -4**

Pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mr. Sandeep Rathi was re-appointed earlier as an Executive Director of the Company at the 25th Annual General Meeting held on 24th September, 2019 for a period of 3 (Three) consecutive years which ends on 13th August, 2022. As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 03.08.2022 and

pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the LODR (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby sought for re-appointment of Mr. Sandeep Rathi (DIN: 05261139) as an Executive Director of the Company for a further term of 3 (Three) years w.e.f. 14th August 2022 to 13th August, 2025 at the present remuneration of 1,00,000/- p.m. Save and except Mr. Sandeep Rathi, Executive Director himself and Mr. Kamal Narayan Rathi (DIN: 00011549) Managing Director being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 4.

**Details of remuneration are:**

Salary: 1,00,000/- per month.

In addition to the above the Executive Director is entitled to the following facilities:

- a) Free use of the Company's car for Company's business purpose.
- b) Free telephone facility
- c) Club fee subject to maximum of two clubs. This will not include Admission and Life Membership fee.
- d) Provident fund, Leave Travel Concession, Superannuation benefits as per the rules of the Company subject to the ceilings as per the guidelines.
- e) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year.

**Information in accordance with Schedule V of Companies Act, 2013**

**I. GENERAL INFORMATION:**

1	Nature of Industry: IT and IT Enabled Services, Business support services and Investments.		
2	Date or expected date of commencement of commercial: 29.11.1994		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable		
4	Financial performance based on given indications		
	Particulars	2021-22 (Amt in Lakhs.)	2020-21 (Amt in Lakhs.)
	Turnover	207.52	168.90
	Net profit after Tax	63.58	28.39
			2019-20 (Amt in Lakhs.)
			90.28
			-23.58
5	Foreign investments or collaborations, if any: Not Applicable		

## II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Mr Sandeep Rathi did Master's in Business systems from University of Alabama, Tuscaloosa, Alabama and the Monash University, Victoria, Melbourne, Australia.
2.	Past Remuneration: Rs. 65,000/- per month
3.	Recognition or awards: Not Applicable
4.	Job Profile and his suitability: I.T. & ITES, e-Governance projects and Overseas Operations
5.	Remuneration proposed: Rs. 1,00,000/- per month
6.	<p>Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</p> <p><b>Taking into consideration of the size of the Company, the profile of Mr. Sandeep Rathi and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</b></p>
7.	<p><b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</b></p> <p>Besides the remuneration proposed, he is holding 1,86,332 Equity Shares of the Company.</p>

## III. OTHER INFORMATION:

1.	<b>BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:</b> This year reviewed that your Company has performed well for the financial year ended 31.03.2022 but hopes to perform even better in the coming year. The Company is trying very hard to get more orders on IT and IT Enable Services and e-Governance Projects (Business Support Services) and others public sector, private sector and government undertaking.
2.	<b>Steps taken or proposed to be taken for improvement:</b> Your Company is carrying out Business Support Services, Software development and Investment Activities. In Business Support Services your company is working for Government, Semi Government and Private Sectors and the company is optimistic of improving further business with special focus on adding more software projects especially in the corporate sector. In Investment service sector your company is doing satisfactory.
3.	<b>Expected increase in productivity and profit in measurable terms:</b> The national e-Governance plan of Indian Government seeks to lay the foundation and provide long term growth of e-Governance projects in India. Setting up the core infrastructure and policies and implementation of a number of mission mode projects at the Centre & State. This Government initiative is likely to get a boost to address issues in remote working difficulties faced by the Govt. during the pandemic. Good business opportunities are available in the Indian Markets. It has tremendous scope for the next two decades. In addition to the Government sector, your company is extending its focus to the Private sector with some niche software products.



**FOR ITEM NO:5**

Pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mr. Kamal Narayan Rathi was re-appointed earlier as a Managing Director of the Company at the 26th Annual General Meeting held on 28th September, 2020 for a period of 3 (Three) consecutive years which ends on 17th January, 2023. As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 03.08.2022 and pursuant to the provisions of Sections 196, 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the LODR (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby sought for re-appointment of Mr. Kamal Narayan Rathi (DIN: 00011549) as a Managing Director of the Company for a further term of 3 (Three) years w.e.f. 18th January 2023 to 17th January, 2026 at the remuneration of Rs. 1,20,000/- p.m. Save and except Mr. Kamal Narayan Rathi, Managing Director himself and Mr. Sandeep Rathi (DIN: 05261139) Executive Director cum CFO being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 5.

**Details of remuneration are:**

Salary: Rs. 1,20,000/- per month.

In addition to the above the Managing Director is entitled to the following facilities:

- Free use of the Company's car for Company's business purpose.
- Free telephone facility
- Club fee subject to maximum of two clubs. This will not include Admission, and Life Membership fee.
- Provident fund, Leave Travel Concession, Superannuation benefits as per the rules of the Company subject to the ceilings as per the guidelines.
- Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year.

1	Nature of Industry: IT and IT Enabled Services, Business support services and Investments.		
2	Date or expected date of commencement of commercial: 29.11.1994		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable		
4	Financial performance based on given indications		
	Particulars	2021-22 (Amt in Lakhs.)	2020-21 (Amt in Lakhs.)
	Turnover	207.52	168.90
	Net profit after Tax	63.58	28.39
			2019-20 (Amt in Lakhs.)
			90.28
			-23.58
5	Foreign investments or collaborations, if any: Not Applicable		

**II. INFORMATION ABOUT THE APPOINTEE:**

1.	Background Details: Mr Kamal Narayan Rathi is Promoter and Managing Director of the company. He did his graduation from Osmania University. He is in charge of overall operation of the company He is having good experienced in the field of Management, Financial Activities, and other fields.
2.	<b>Past Remuneration:</b> Rs. 75,000/- per month
3.	<b>Recognition or awards:</b> Not Applicable
4.	<b>Job Profile and his suitability:</b> Keeping in mind the background details, past record and proficiency of Mr. Kamal Narayan Rathi, the Board is of the view that he is the most suitable person for the job.
5.	<b>Remuneration proposed:</b> Rs. 1,20,000/- per month
6.	<p><b>Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</b></p> <p>Taking into consideration of the size of the Company, the profile of Mr. Kamal Narayan Rathi and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p>
7.	<p><b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</b></p> <p>Besides the remuneration proposed, he is holding 17,37,634 Equity Shares of the Company</p>