



BHAGYANAGAR WOOD PLAST LIMITED

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**12TH
ANNUAL REPORT
1999 - 2000**

For Bhagyanagar Woodplast Ltd.

h.reddy
Director.

Bhagyanagar Wood Plast Limited

BOARD OF DIRECTORS

Sri. N. Kishan Reddy	Chairman and Managing Director
Sri. G. Hemanth Reddy	Whole Time Director
Sri. N. Srinath Reddy	Whole Time Director
Dr. G.S.R.Somayaji	HUDCO Nominee

AUDITORS

V.Sridhar & Co.,
Chartered Accountants,
Hyderabad.

BANKERS

State Bank of Hyderabad
Commercial Branch,
S.P.Road,
Secunderabad - 500 003.
Andhra Pradesh.

REGISTERED OFFICE

4th Floor, KPR House,
S.P.Road,
Secunderabad - 500 003.
Andhra Pradesh.

WORKS

Nandikandi Village
Sadashivpet Mandal,
Medak District.
Andhra Pradesh.

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NOTICE

Notice is hereby given that the 12th Annual General meeting of the members of M/s. Bhagya Nagar wood Plast Limited will be held on Friday, the 10th day of November 2000 at Sanjeevareddy Nagar Community Hall, Sanjeevareddy Nagar, Hyderabad at 11.00 A.M. to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet of the company as at 31st March, 2000 and the Profit & Loss account of the company for the year ended on that date together with reports of the Auditors and the Directors thereon.
2. To appoint Auditors and authorise the Board to fix their remuneration Messrs. V. Sridhar & Co. Chartered Accountants, Hyderabad, the retiring Auditors of the company are eligible for re-appointment.

B. SPECIAL BUSINESS

3. To consider and if thought fit to appoint Director in place of Sri G. Hemanth Reddy who retires by rotation and being eligible offers himself for re-appointment and to pass with or without modification the following resolution as an ordinary resolution.

"Resolved that Pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the companies Act, 1956, Sri G.Hemanth Reddy be and is hereby appointed as Whole-Time Director of the company on the following terms of remuneration and that his period of office shall be liable to retirement by rotation".

- I. Salary— Rs 10,000 per month.
- II. Perquisites:
 - a. Telephone at house (Excluding personal long distance calls).
 - b. Provident fund as per rules of the company.
 - c. Personal Accident Insurance premium not exceeding Rs.2,000/-

- d. Medical re-imbursement for self and family (Consisting of self, spouse, dependent children and dependent parents)

"Further resolved that the above terms of remuneration shall be effective on and from April 1,2000.

4. To Consider and, if thought fit, to pass with or without modification, the following resolution as special resolution

"RESOLVED THAT pursuant to section 31 and other applicable provisions of the Companies Act, 1956, and the provisions of the statute as applicable, the Articles of Association of the company be and are hereby altered and or substituted in the manner and to the extent as set out herein below."

Under the heading " Shares and Certificates" after Article 15 of the Articles of Association, the following new Articles 15A and 15B be inserted as follows.

15A. ISSUE OF SWEAT EQUITY SHARES/ EMPLOYEES STOCK OPTION SCHEMES.

Subject to the provisions of these Articles and in accordance with the provisions of Section 79A of the companies Act, 1956, and of various other laws governing the issue, the Board may issue and allot Sweat equity shares under Employee Stock option Scheme to the persons entitled thereto.

15B. BUY BACK OF SECURITIES.

Subject to the provisions of Section 77A and other applicable provisions of the Companies Act, 1956, company can buy back its own securities to the extent specified in the above said section.

Under the heading " Transfer and Transmission" of shares after Article 64 of the Articles of Association, the following New Articles 64A and 64B, be inserted as follows.

64A. NOMINATION

A holder or joint holder(s) of shares in or debentures, of the company may nominate, a person in the prescribed manner to whom the shares and/or interest of the member in the capital of the company or debentures of



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the company shall vest in the event of the holder(s) death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Act or such other regulations governing the matter from time to time.

64B. DEMATERIALISATION OF SECURITIES.

Definitions.

1. "Beneficial owner" means a person or persons whose name is recorded as such with a depository.
2. "SEBI" means the Securities & Exchange Board of India.
3. "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certification of registration to act as a depository Under the Securities and Exchange Board of India Act, 1992. and
4. "Depositories Act, shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof.
5. "Security" means such security as may be specified by the SEBI from time to time

Dematerialisation of securities.

Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form Pursuant to the Depositories Act, 1996.

Option for Investors.

Every person subscribing to/acquiring securities offered by the company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of the allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories in fungible form.

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial owners.

- (a) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the company and whose name is entered as the 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 and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents.

Notwithstanding anything to the contrary contained in these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository to the company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities.

Nothing contained in Section 108 of the Companies Act, 1956, or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt within a Depository.

Notwithstanding anything to the contrary contained in these Articles, where depository deals with securities, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

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Distinctive numbers of Securities held in a Depository.

Nothing contained in these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

Register and Index of Beneficial Owners.

The Register and Index of beneficial owners maintained by a depository under the depositories Act, 1996, shall be deemed to be the Register and Index of members and security holders for the purpose of these Articles.

Notes:

1. Sr. G.Hemanth Reddy being appointee is deemed to be interested in resolution presented in item 3 above
2. Explanatory statement under section 173 (2) in respect of item 3 and 4 of special business annexed hereto.
3. A member eligible to attend and vote at meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxy forms in order to be effective must be received by the company not less than forty eight hours before the Annual General meeting.
4. Members are requested to bring their copies of Annual Report to the meeting along with original attendance slips duly filled.
5. Members are requested to notify any change in their addresses to the company's Registered office.
6. To avoid entry of unauthorised persons in to the meeting premises, the signature of the members shall be verified with the specimen signature recorded with the company at the entrance of the venue. Inconvenience to members in this regard is highly regretted. The members are requested to carry their folio number with them.

By order of the Board

(N. Kishan Reddy)

Place : Secunderabad

Chairman &

Date : 9-10-2000

Managing Director



EXPLANATORY STATEMENT IN PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956.

Item No. 3.

Sri G. Hemanth Reddy is the Director on the Board of the company and his office is liable to retirement by rotation. Being a whole time Director of the company he has been handling various responsibilities and has successfully commenced the software division of the company, he is presently drawing the remuneration as set out in the resolution and no change in the terms of the present appointment proposed.

As the appointment of the Director is subject to the approval of the members in General meeting, the resolution is presented for your approval.

Item No.4.

As you are aware, various provisions of the Companies Act, 1956 read with SEBI Guidelines are providing for Nomination of shares, Issue of sweat equity shares/Employee stock option Schemes, Buy back of securities And Dematerialisation of securities.

As per the Notification of SEBI dated 29th May, 2000, the Equity shares of the company would be traded in compulsory dematerialisation form with effect from October 30, 2000.

In order to bring the Articles of Association of the company in line with the Depositories Act, 1996 and the amendments made to the Companies Act, 1956, certain changes are required to be made in the Articles of Association of the company.

According to the provisions of Section 31 of the Companies Act, 1956, alteration of Articles of Association requires Special consent by the members of the company. Therefore the Board of Directors recommend the resolution for your approval.

None of the directors of the company is concerned or is interested in the resolution.

By order of the Board

(N. Kishan Reddy)

Place : Secunderabad

Chairman &

Date : 9-10-2000

Managing Director

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DIRECTORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited,
Hyderabad.

The Directors present herewith the 12th Annual Report along with the report of the Auditors on the balance sheet as at March 31st, 2000 and the profit and loss account for the financial year 1999-2000.

FINANCIAL RESULTS AND PERFORMANCE

	Rupees in lacs	
	Current year	Previous year
Sales and other Income	1310.24	1742.10
Profit before interest, depreciation and tax	118.04	182.75
Interest	17.62	16.27
Profit before depreciation and tax	100.42	166.48
Depreciation	22.83	24.57
Profit before tax for the current year	77.59	141.91
Provision for income tax for the year 1999-2000	8.50	--
Profit after tax for the current year	69.09	141.91
Prior period items	27.85	--
Profit carried to the Balance Sheet	41.24	141.91
Reserves (Excluding Revaluation Reserve) as at the end of the year	288.83	247.59

OPERATIONS

During the year 1999-2000 the areas which the company was operating and the companies operating profile itself have undergone major changes. The major supplies of the company in respect of PVC pipes were made to various Government departments under "Rate Contract" system. As a major policy shift the Government of Andhra Pradesh has dispensed with the system of procuring through "Rate Contracts". In the changed circumstances either the person supplying the pipes should undertake the work

of laying the pipeline or the person laying the pipeline should procure the pipes on his own account.

This change in the working environment adversely affected the operations of the company which resulted in reduced turnover with respect to PVC Pipes thereby affecting the profitability.

However the company geared up itself to face the situation and has registered as an eligible contractor with the Government of Andhra Pradesh and made a small beginning in procuring pipe laying contracts. With the infrastructure of the pipe manufacture already in existence, the company has adequate strength to undertake the contracts.

Though there was a temporary setback in the PVC pipes manufacturing activity of the company the operations of the company got a boost with the successful commencement of the software division and the investment activities of the company. These activities of the company have been authorised by the resolutions of the members in the earlier general meetings.

The investment activity of the company yielded Rs.11.01 lacs as profit during the financial year 1999-2000.

The software division of the company started off as planned and in the very beginning of its operations has earned a foreign exchange of US Dollars 20,000. Though a small beginning the management is confident of substantial growth in the coming years.

The company has also ventured into the internet zone by launching a portal of its own namely bhagyastock.com. The portal facilitates online investment operations between investors and members of the stock exchange while providing value added services such as investment portfolio management and assorted information about various companies to suit individual needs of the investors.

The year 1999-2000 also saw the company venture into manufacture of HDPE pipes. With

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the exponential growth in the telecommunication sector the demand for HDPE pipes has also grown tremendously. The company has prepared itself to meet the market requirements. With the commencement of manufacture of HDPE pipes the company has bagged an order of Rs.70.00 lacs from one of the group companies of Reliance Industries.

DISCLOSURE

The Directors are required to disclose certain information in their report with respect to Technology Absorption, Energy Conservation and Foreign Exchange Earnings and Outgo. These particulars are disclosed in the Annexure to this report.

In respect of the employees, there are no employees on the rolls of the company whose particulars are required to be disclosed in the report of Directors in pursuance of section 217(1)(e) of the Companies Act, 1956.

Y2K COMPLIANCE

All the systems of the company are Y2K compliant and adequate care has been taken to avoid any complications in this regard. None of the plant and machinery/manufacturing facilities are computerised and hence not affected.

DIRECTORS

Sri. G. Hemanth Reddy, Director of the company retires by rotation and being eligible offers himself for re-appointment.

Sri. G. Hemanth Reddy has been appointed as Director on 27-9-1996 on the following terms and conditions and re-appointed on 29-9-93 on the same terms and conditions.

Salary - Rs.10,000 per month.

Perquisite : 1. Telephone at house (excluding personal long distance calls).
2. Provident Fund as per rules of company.
3. Personal Accident Insurance premium not exceeding Rs.2,000/-.

4. Medical re-imbursement for self and family (consisting of self, spouse, dependent children and dependent parents) subject to a maximum of one month of salary over one year or three months salary over a period of three years.

No change in the above terms of remuneration are proposed.

AUDITORS

Messrs. V. Sridhar & Co., Chartered Accountants, Hyderabad, the Auditors of the company retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment.

EMPLOYEES

The company during the year has employed software professionals for its software division. The support extended by these professionals resulted in successful commencement of software division and also launching of the portal.

The employees of the factory have been very supportive to the management in setting up of HDPE pipe manufacturing facility. The management considers employees its core strength and would like to place on record their appreciation for the supportive role played by the employees.

ACKNOWLEDGEMENT

The Board of Directors are thankful to State Bank of Hyderabad, the Bankers of the company Housing and Urban Development Corporation Limited., the Risk Capital and Technology Finance Corporation, the Andhra Pradesh Industrial Development Corporation Limited, the employees of the company and above all the shareholders of the company for their unending support to the management.

On behalf of the Board

N.KISHAN REDDY
Chairman

Secunderabad, June 29, 2000



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