

BHAGYANAGAR WOOD PLAST LIMITED



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**14th
ANNUAL REPORT
2001-2002**

Bhagyanagar Wood Plast Limited

BOARD OF DIRECTORS

(As on August 17, 2002)

Sri. N. Kishan Reddy	Chairman and Managing Director
Sri. N. Srinath Reddy	Whole Time Director
Sri. G .Raja Reddy	Director
Sri. T. Naveena Chandra	Director
Sri. S. Krishna Prasad	Director

AUDITORS

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

BANKERS

State Bank of Hyderabad
Commercial Branch,
Sardar Patel Road,
Secunderabad - 500 003.

REGISTERED OFFICE

5TH Floor, KPR House,
Sardar Patel Road,
Secunderabad 500 003.

WORKS

Nandikandi Village
Sadasivapet Mandal,
Medak District.
Andhra Pradesh.

14TH ANNUAL REPORT 2001 - 2002

Bhagyanagar Wood Plast Limited

NOTICE

Notice is hereby given that the 14th Annual General meeting of the members of M/s. Bhagyanagar Wood Plast Limited will be held at 10 A.M. on Monday, the 30th day of September 2002 at Sanjeeva Reddy Nagar Community Hall, Sanjeeva Reddy Nagar, Hyderabad, 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, 2002 and the Profit and Loss account of the company for the year ended on that date together with the reports of the Auditors and the Directors thereon.
2. To declare dividend on equity shares
3. To appoint director in place of Sri. S. Krishna Prasad, director of the company, retires at the conclusion of the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint director in place of Sri.G.Raja Reddy, director of the company, retires at the conclusion of

the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

5. To appoint Auditors and fix their remuneration and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

"Resolved that M/s V. Sridhar & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and the Managing Director Sri. N. Kishan Reddy, be and is hereby authorized to fix their remuneration in consultation with them".

By order of the Board
For **Bhagyanagar Wood Plast Limited**

Place : Secundrabad **N. Srinath Reddy**
Date : August 17, 2002 Whole Time Director

NOTES

1. A member eligible to attend and to vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company Proxies in order to be effective must be received by the company, not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2002 to 28th September 2002 (Both days inclusive). The dividend if approved will be paid to the members whose names appear in the register of members on 28th September 2002.
3. The dividend for the year ended March 31, 2002 is subject to tax deduction at source as applicable.
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 Regd. Office. Members whose shareholdings are in demat form are requested to send the intimation for change of address to their respective Depository Participant.
6. To avoid entry of unauthorized persons into the meeting premises, the signature of the members shall be verified with the specimen signature recorded with Company at the entrance of the Venue. Inconvenience to members in this regard is highly regretted. The members are requested to carry their folio/Client ID number with them.

Bhagyanagar Wood Plast Limited

DIRECTORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited,
Secundrabad.

The Directors present herewith the Fourteenth Annual Report along with the report of the Auditors on the accounts of the company for the financial year 2001-02.

FINANCIAL RESULTS AND PERFORMANCE

The performance of the company is summarised as under;

	Rupees in lacs	
	Current year	Previous year
Sales and other Income	1102.08	931.33
Profit before interest, depreciation and tax	97.46	(-) 31.17
Interest	12.27	13.57
Profit before depreciation and tax	85.19	(-) 44.74
Depreciation	29.96	28.72
Profit before tax for the current year	55.23	(-) 73.46
Profit after tax for the current year	50.14	(-) 73.46
Proposed dividend	45.23	—
Profit carried to the Balance Sheet	4.91	(-) 73.46
Reserves (Excluding Revaluation Reserve) as at the end of the year	152.13	215.37
Share Capital	565.33	565.33
Earnings per share	0.88	—

OPERATIONS

The company is slowly but steadily coming out of the recessionary trends observed in the last couple of years.

The turnover of pipes division posted a marginal increase during the year. However the company achieved a quantum jump in the operations of

the software division. The gross receipts from the software activity of the company increased from Rs.17.81 lacs in the previous year to Rs.57.36 lacs in the current year.

Though the increase in the manufacturing activity of the company may not be substantial in the year 2002-03 and subsequent years, the management is confident that the software division of the company will post better results in the coming years.

In addition to the product development and software development activities, the company has entered the areas of IT enabled services and putting the efforts to yield good results.

The members are aware that the company, with the approval of the members in general meeting invested in the capital of Sri Venkateswara Pipes Limited and also rendered technical assistance. The Royalty earned from Sri Venkateswara Pipes Limited is Rs.20.21 lacs during the year as against Rs. 4.33 lacs in the previous year.

DIVIDEND

Your directors are happy to propose a dividend of Rs.0.80 per every share of Rs.10/- fully paid aggregating to Rs.45.23 lacs.

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.

RESPONSIBILITY STATEMENT (Section 217 (2AA) of the Companies Act, 1956)

- The accounting standards to the extent applicable to the company have been followed in the preparation of the annual accounts. There are no material departures therefrom.

Bhagyanagar Wood Plast Limited

- b. The accounting policies selected by the Board for the purpose of preparation and presentation of the financial statements have been and are being applied consistently and reasonable and prudent the judgements and estimates (wherever applicable) have been made, for the said purpose, so as to give a true and fair view of the affairs of the company as at end of the financial year under review and of the profit for the said year.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on going concern basis.

DIRECTORS

Sri. S.Krishna Prasad, and Sri.G.Raja Reddy, Directors, retire by rotation at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

AUDIT COMMITTEE

The Audit Committee comprising of Sri.T.Naveena Chandra, Sri.S.Krishna Prasad and Sri.G.Raja Reddy as its members met at regular intervals during the year.

The Annual Accounts for the Financial Year 2001-02 and the report of the Auditors thereon have been reviewed by the committee and the recommendations of the Committee have been accepted by the Board..

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 maintained friendly and cordial relations with its employees during the year. There are no employees on the rolls of the company whose particulars are required to be disclosed in the report of the Directors.

ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation of the support extended to the company by State Bank of Hyderabad, the Bankers to the company, the employees of the company and above all the shareholders.

On behalf of the Board

Place : Secunderabad,
Date : August 17, 2002

N.KISHAN REDDY
Chairman



Bhagyanagar Wood Plast Limited

ANNEXURE TO DIRECTORS' REPORT

for the Financial Year 2001-02.

	Current year	Previous year
A. CONSERVATION OF ENERGY		
Electricity		
Units Purchased	8,69,399	5,50,131
Total cost (Rupees) gross	38,15,127	25,50,163
Rate per unit (Rupees)	4.38	4.64
Own Generation		
Units Generated	68,046	63,515
Total Cost	3,48,400	3,25,200
Rate per unit (Rupees)	5.12	5.12

Energy Conservation measures taken and impact thereof;

No substantial investments have been made in this year in this regard.

B. TECHNOLOGY ABSORPTION

Not applicable to our company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings US Dollars 1,29,425 from Software Exports (Previous year US Dollars 38,931)

Foreign Exchange Outgo US Dollars 5,800 (Previous Year - 6,600) towards travelling.

On behalf of the Board

Place : Secunderabad,
Date : August 17, 2002

N.KISHAN REDDY
Chairman



Bhagyanagar Wood Plast Limited

AUDITORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited

1. We have audited the attached Balance sheet of Bhagyanagar Wood Plast Limited, as at March 31, 2002 and also the Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on March 31, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For V.Sridhar & Co.,
Chartered Accountants

Place : Secunderabad Vemulapati Sridhar
Date : August 17, 2002 Partner

Bhagyanagar Wood Plast Limited

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date.

- (i) The company, showing full particulars including quantitative details and situation of fixed assets has maintained proper records. The management, at reasonable intervals during the year, has conducted physical verifications of fixed assets and no material discrepancies were noticed on such verification. We are of the opinion that the period of verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) None of the fixed assets have been re-valued during the year.
- (iii) The management has, at reasonable intervals during the year, carried out physical verification of the stocks of finished goods, stores, spare parts and raw materials.
- (iv) We are of the opinion that the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (v) According to information and explanations given to us no discrepancies have been noticed on physical verification of stocks as compared to the book records.
- (vi) The valuation of stocks is fair and proper and is in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
- (vii) The company has not taken any loans secured/unsecured from or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of loans taken from companies listed in the register maintained under the said section are not, in our opinion, prima facie prejudicial to the interests of the company. We are informed that there are no companies under the same management.
- (viii) In our opinion the rate of interest and other terms and conditions of the loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (ix) The company has not granted any loans or advances in the nature of loans. The interest free advances granted to employees are being repaid regularly.
- (x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of, raw materials, stores including spares machinery, equipment and other assets, and for the sale of goods.
- (xi) There are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
- (xii) As explained to us there are no unserviceable or damaged stores, raw materials or finished goods.
- (xiii) The Company has not accepted any deposits from the public.
- (xiv) Reasonable records have been maintained by the company for the sale and disposal of realisable waste / by products.
- (xv) The company has adequate internal audit system commensurate with size of the company and nature of its business.
- (xvi) The Central Government has not prescribed the maintenance of cost records under