

BHAGYANAGAR WOOD PLAST LIMITED



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**17th
ANNUAL REPORT
2004-2005**

Bhagyanagar Wood Plast Limited

BOARD OF DIRECTORS (As on 29th June, 2005)

Sri. N. Kishan Reddy	<i>Chairman and Managing Director</i>
Sri. N. Srinath Reddy	<i>Whole Time Director</i>
Sri. G .Raja Reddy	<i>Director</i>
Sri. T. Naveena Chandra	<i>Independent Director</i>
Sri. S. Krishna Prasad	<i>Independent Director</i>
Sri.G.Indrasena Reddy	<i>Independent Director</i>

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

Vth Floor, KPR House,
Sadar Patel Road,
Secunderabad 500 003.

WORKS

Nandikandi Village
Sadashivpet Mandal,
Medak District,
Andhra Pradesh.

Bhagyanagar Wood Plast Limited

NOTICE

Notice is hereby given that the 17th Annual General meeting of the members of M/s.Bhagyanagar Wood Plast Limited will be held at 10 A.M. on Thursday the 29th day of September 2005 at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda (back side of Chermas show room), Ameerpet, Hyderabad-500 073, 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 2005 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 appoint director in place of Sri.G.Raja Reddy Director of the company, who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint director in place of Sri. N.Srinath Reddy, who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and to pass the following resolution with or without modifications as Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of Sections 198,269,309, and other applicable provisions if any, of the Companies Act, 1956, Sri. N.Srinath Reddy be and is hereby appointed as Director of the Company on the following terms of remuneration and his period of office shall be liable to retirement by rotation

- i) Salary: Rs.10,000/- Per Month.
- ii) Perquisites
 - a. Medical Re-imbusement : Medical Reimbursement for self and family (consisting of self, spouse, dependent children and dependent parents) subject to a maximum of one months salary over one year or three months salary over a period of three years.
 - b. Telephone at Residence (this does not include personal long distance calls which, if made, shall be billed separately by the company).
 - c. Contribution to Provident Fund as per rules of the Company.

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4. 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 Statutory 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

N.Srinath Reddy
Whole Time Director

Place: Secunderabad.
Date: August 4, 2005.

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 September 22nd, 2005 to September 29th 2005 (Both days inclusive).
3. Members are requested to bring their copies of Annual Report to the meeting along with original attendance slips duly filled.
4. Members are requested to notify any change in their addresses to the Share Transfer agents M/s.Satguru Management Consultants Private Limited. Members whose shareholdings are in De-mat form are requested to send the intimation for change of address to their respective depository participant.
5. 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 number with them.
6. Members who have not encashed dividend warrants in respect of dividends declared for the year ended 31st march 2002 may contact the Company/Share Transfer Agent and surrender their warrants for payment. Members are requested to note that the dividend not claimed for a period of seven years from the date they became due for payment shall be transferred to investors education and protection fund (IEPF) in terms of Section 205C of the Companies Act, 1956.

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INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING REAPPOINTMENT OF DIRECTORS.

Name of the Director : N.Srinath Reddy.
Date of Birth : 14-05-1966
Date of Appointment : 25-09-1997
Special Expertise : Marketing and General Administration
Qualifications : MBA
Directorships of other Companies as on 31st March 2005 : NIL

Name of the Director : G.Raja Reddy
Date of Birth : 05-05-1941
Date of Appointment : 29-12-2000
Special Expertise : Finance and general Administration.
Qualifications : HSC.
Directorships of other Companies as on 31st March 2005 : Sri Venkateswara Pipes Limited.

N.Srinath Reddy
Whole Time Director

Place:Secunderabad.

Date: June 29,2005

Bhagyanagar Wood Plast Limited

DIRECTORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited,
Secundrabad.

The Directors present herewith the Seventeenth Annual Report on the affairs of the company along with the report of the Auditors on the accounts of the company for the financial year 2004-05

FINANCIAL RESULTS AND PERFORMANCE

The performance of the company is summarised as under:

	Rupees in lacs	
	Current year	Previous year
Sales and other income	1159.71	937.42
Profit before interest, depreciation and tax	47.78	52.88
Interest	5.80	7.74
Profit before depreciation and tax	41.98	45.14
Depreciation	29.48	29.49
Profit before tax for the current year	12.50	15.65
Profit after tax for the current year	7.63	2.59
Profit carried to the Balance Sheet	11.45	2.59
Reserves as at the end of the year	179.39	167.94
Share Capital	565.33	565.33
Earnings per share	0.20	0.004

MANAGEMENT DISCUSSION, ANALYSIS AND OPERATIONS

Outlook for the fiscal 2005-06

- The company will continue its efforts to further increase its market share in the products manufactured.
- The cost control measures initiated in the earlier year will be further intensified and the management foresees further reduction in costs and thereby increase in profitability.
- The management will look for new avenues to increase the operations and to augment the growth of the company

Operations of 2004-05

The company in the current year registered an increase of about 23% in its turnover over the previous year and posted a modest profit of Rs. 11.45 lacs after taxes, thus registering a positive growth and increasing the earnings per share from almost zero to 0.20ps in the current year. The Software Division registered gross receipts of Rs.98.32 lacs against Rs.15 lacs in the previous year.

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The company through its internal controls and the audit committee has carried out reviews periodically in order to further strengthen the system.

The company with its ongoing cost controls and efficiency improving measures both in production as well as administration in this fast changing business environment looks positive and will create more wealth for its stake holders in coming years

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)

- a. 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.
- 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. G. Raja Reddy and Sri. N. Srinath Reddy, Director of the company retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment

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REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate governance is annexed and form part of the Directors Report.

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 pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

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 and customers of the company and to all the shareholders.

On behalf of the Board

N.KISHAN REDDY

Chairman

Secunderabad, June 29th, 2005.

Bhagyanagar Wood Plast Limited**ANNEXURE TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2004-05.**

	Current Year	Previous Year
A. CONSERVATION OF ENERGY		
<i><u>Electricity</u></i>		
Units Purchased	6,07,966	4,47,907
Total cost (Rupees) gross	27,61,155	22,53,236
Rate per unit (Rupees)	4.54	5.03

Energy Conservation measures taken and impact thereof

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

B. TECHNOLOGY ABSORPTION : Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings: US Dollars 6,137.17 from Software Exports (Previous year US Dollars 14,482)

Foreign Exchange Outgo. **NIL** (Previous Year – 6,030) towards traveling.

On behalf of the Board

N.KISHAN REDDY
Chairman

Secunderabad, June 29th, 2005.

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ANNEXURE TO DIRECTORS REPORT

BWPL 'S CORPORATE GOVERNANCE PHILOSOPHY

BWPL is committed to good corporate governance. The company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and powerful medium to serve the long term value creation. Corporate governance strengthen investors trust and ensure a long term partnership, and to protect the interest of other stakeholders by way of transparency, accuracy and accountability.

BOARD OF DIRECTORS

Mr.N.Kishan Reddy is Chairman of the Board of Directors of the company.

The composition of the Board of Directors and other details required in this regard are as under

Sl. No	Name of Director	Category	No of Other Directorships	Membership in Other committees
1.	Sri.N.Kishan Reddy	Chairman & Managing Director	1	NIL
2.	Sri G.Raja Reddy	Non – Executive Director	1	NIL
3.	Sri.N.Srinath Reddy	Executive Director	NIL	NIL
4.	Sri. T. Naveena Chandra	Independent Non – Executive Director	3	
5.	Sri S.Krishna Prasad	Independent Non – Executive Director.	Nil	NIL
6.	Sri.G.Indrasena Reddy	Independent Non – Executive Director.	1	Nil

Note:

- An Independent Director is a director who apart from receiving directors remuneration, does not have any material pecuniary relationship or transactions with the company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independence of judgment.
- Number of directorships include directorships held in public limited companies and subsidiaries of public limited companies and excludes directorships held in private limited companies and overseas companies.