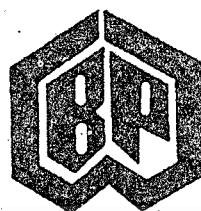


# **BHAGYANAGAR WOOD PLAST LIMITED**



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**19<sup>th</sup>**  
**ANNUAL REPORT**  
**2006 - 2007**

**BOARD OF DIRECTORS (As on June 29 2007)**

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,  
Sardar Patel Road,  
Secunderabad 500 003.

**WORKS**

Nandikandi Village  
Sadashivpet Mandal,  
Medak District,  
Andhra Pradesh.

**Bhagyanagar Wood Plast Limited**

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**NOTICE**

Notice is hereby given that the Nineteenth Annual General meeting of the members of M/s.Bhagyanagar Wood Plast Limited will be held at 10 A.M. on Saturday the 29<sup>th</sup> day of September 2007 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 31<sup>st</sup> March 2007 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 S.Krishna Prasad, 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.
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: June 29, 2007.

**Notes**

1. A member eligible to attend and to vote at the meeting is entitled to appoint a proxy and much 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 21<sup>st</sup>, 2007 to September 29<sup>th</sup> 2007 (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 31<sup>st</sup> 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.

**Bhagyanagar Wood Plast Limited**

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

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 31<sup>st</sup> March 2007 : Sri Venkateswara Pipes Ltd

Name of the Director : Sri S. Krishna Prasad  
 Date of Birth : 27-07-1955  
 Date of Appointment : 15-06-2001  
 Special Expertise : Finance and Banking  
 Qualifications : M.Sc  
 Directorships of other Companies as on 31<sup>st</sup> March 2007 : NIL

N.Srinath Reddy  
 Whole Time Director

Place: Secunderabad  
 Date: June 29, 2007.

## **Bhagyanagar Wood Plast Limited**

### **DIRECTORS' REPORT**

To the Members of Bhagyanagar Wood Plast Limited,  
Secundrabad.

The Directors present herewith the Nineteenth 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 2006-07.

### **FINANCIAL RESULTS AND PERFORMANCE**

The performance of the company is summarised as under:

Particulars	Rupees in lacs	
	Current year	Previous year
Sales and other Income	837.46	1086.21
Profit before interest, depreciation and tax	41.97	61.12
Interest	9.08	6.75
Profit before depreciation and tax	32.89	54.37
Depreciation	30.33	29.27
Profit before tax for the current year	2.56	25.10
Profit after tax for the current year	4.71	22.12
Reserves as at the end of the year	205.84	201.68
Share Capital	565.33	565.33
Earnings per share	0.04	0.39

### **MANAGEMENT DISCUSSION, ANALYSIS AND OPERATIONS**

#### **OPERATIONS OF 2006-07**

The company despite its best efforts could not increase the volumes in the pipes division due to unhealthy competition from unorganised sector. The company has to maintain the quality of its products which is compromised by unorganized sector.

The software division posted a loss of Rs.5.32 lacs on a turnover of Rs. 175.40 lacs.

On a overall performance basis the profitability of the company after making adjustments for deferred taxation as per Accounting Standard – 22 (Accounting for Taxes on Income) and providing for current taxation has been Rs. 4.71 lacs as against Rs. 22.12 lacs in the previous year.

## **Bhagyanagar Wood Plast Limited**

### **FUTURE OUTLOOK**

Having put in its best efforts the company is not able to maintain a set growth pattern in the present line of activity. The management, therefore has come to a conclusion that to have a sustained growth and increased profitability and returns on investments the company is looking at strategic mergers and acquisitions which in the opinion of the management will give a tremendous boost to the growth prospects.

The management will approach the members for the required permissions and sanctions in due course of time.

### **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 there-from.
- 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 S.Krishna Prasad, Director of the company retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

## **Bhagyanagar Wood Plast Limited**

### **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.

### **ACKNOWLEDGEMENTS**

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 29, 2007.



**Bhagyanagar Wood Plast Limited****ANNEXURE TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2006-07**

	Current Year	Previous Year
<b>A. CONSERVATION OF ENERGY</b>		
<i>Electricity</i>		
Units Purchased	4,57,406	5,48,862
Total cost (Rupees) gross	20,40,389	24,48,485
Rate per unit (Rupees)	4.46	4.46

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 Nil from Software Exports (Previous year US Dollars NIL)

Foreign Exchange Outgo: **US Dollars 19,140** (Previous Year – NIL ) towards traveling.

On behalf of the Board

**N.KISHAN REDDY**

**Chairman**

Secunderabad, June 29, 2007.

**Bhagyanagar Wood Plast Limited****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	1
2.	Sri G.Raja Reddy	Non – Executive Director	1	2
3.	Sri N.Srinath Reddy	Executive Director	NIL	NIL
4.	Sri T.Naveena Chandra	Independent Non – Executive Director	2	1
5.	Sri S.Krishna Prasad	Independent Non – Executive Director.	Nil	2
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.