

BHAGYANAGAR WOOD PLAST LIMITED



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**21ST
ANNUAL REPORT
2008-09**

BOARD OF DIRECTORS (As on 25th June, 2009)

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.P. Jagadeeshwar Reddy	<i>Independent Director</i>

AUDITORS

V.Sridhar & Co.,
Chartered Accountants,
A/78, Geeta Aparments, Santoshnagar,
Mehidipatnam,
Hyderabad. 500 028

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 21st Annual General meeting of the members of M/s. Bhagyanagar Wood Plast Limited will be held at 10 A.M. on Wednesday, the 30th September 2009 at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda (back side of Chermas show room), Ameerpet, Hyderabad-500 073 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009 and the Profit and Loss Account of the company for the year ended on that date together with the reports of the Auditors and Directors thereon:
2. To appoint director in place of Sri G.Raja Reddy, who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
3. To appoint director in place of Sri S.Krishna Prasad, who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
4. To appoint Auditors and fix their remuneration and if thought to pass with or without modifications the following resolution as 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".

SPECIAL BUSINESS

5. To appoint Sri N.Kishan Reddy as Managing Director of the Company by passing the following resolution with or without modification.

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, read with and in accordance with the conditions in Schedule XIII of the Companies Act, 1956, Sri N.Kishan Reddy be and is hereby appointed as Managing Director of the Company for a period of 5 years commencing from financial year 2009-2010 (01-04-2009 to 31-03-2010) and ending with financial year 2013-2014. (01-04-2013 to 31-03-2014) without remuneration or perquisites".

6. To appoint Sri P. Jagadeeshwar Reddy, as Director of the Company.

"RESOLVED THAT Sri P. Jagadeeshwar Reddy, be and is hereby appointed as Director of the Company liable to retire by rotation".

By order of the Board
For Bhagyanagar Wood Plast Ltd.,

N. Kishan Reddy,
Managing Director

Place: Secunderabad
Date : 25.06.2009

Bhagyanagar Wood Plast Limited

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 22nd September 2009 to 30th September 2009 (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 Pvt., Limited. Members whose shareholdings are in D-MAT form are requested to send the information for change of address to their respective depository participant.
5. To avoid entry of un-authorized persons into 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 advised to carry their folio number with them.

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

Name of the Director	:	N. Kishan Reddy
Date of Birth	:	02.09.1948
Date of Appointment	:	April 30, 2009 and the last appointment was on 29-09-2004 at the Annual General meeting for a period of 5 years. The period of 5 years ended on March 31, 2009.
Special Expertise	:	Wide experience in Marketing and administration
Qualifications	:	Civil Engineering
Directorships of other Companies as on 31 st March 2009	:	Director in Sri Venkateswara Pipes Limited Director in Sri KPR Infra & Projects Limited

Name of the Director	:	P. Jagadeeshwar Reddy
Date of Birth	:	04-03-1950
Date of Appointment	:	01-02-2009
Special Expertise	:	General Management, Finance and Public Relations
Qualifications	:	M.Com
Directorships of other Companies as on 31 st March 2009	:	NIL

Name of the Director	:	Sri. S. Krishna Prasad
Date of Birth	:	27-07-1955
Date of Appointment	:	30-07-2003
Special Expertise	:	Technical
Qualifications	:	M.Sc. Physics
Directorships of other Companies as on 31 st March 2009	:	Nil

Name of the Director	:	Sri. G.Raja Reddy
Date of Birth	:	15-05-1941
Date of Appointment	:	29-09-2007
Special Expertise	:	Technical and Administration
Qualifications	:	HSC
Directorships of other Companies as on 31 st March 2009	:	Director in Sri Venkateswara Pipes Limited

N. Kishan Reddy
Managing Director

Place: Secunderabad
Date: 25.06.2009.

EXPLANATORY STATEMENT (PURSUANT TO SECTION.173(2) OF THE COMPANIES ACT, 1956)
WITH RESPECT TO THE SPECIAL BUSINESS IN THE NOTICE CALLING THE ANNUAL GENERAL
MEETING.

Sri. N. Kishan Reddy has been the Managing Director of the company since its inception and the last appointment as Managing Director was made at the Annual General Meeting held on 29-09-2004 and this appointment was made for a period of 5 years commencing April 1, 2004 and ending March 31, 2009. The Board of Directors propose to re-appoint Sri. N. Kishan Reddy as Managing Director for a period of 5 years commencing April 1, 2009 and ending March 31, 2014.

The earlier appointment was on a monthly remuneration. However, Sri. N.Kishan Reddy has represented to the Board that in view of the recessionary trends in the industry and also considering the fact that costs should be cut in every way possible, no remuneration be proposed to him. Hence no remuneration is proposed in the current appointment. Any change in the variations of the terms of the appointment, members would be approached for appropriate approvals.

Sri. P. Jagadeshwar Reddy has more than 3 decades of experience in teaching line in the subject of Commerce and Financial Management. Over the years in teaching line he has wide experience in general management, finance and public relations.

Given the change over which the company is presently positioned to undergo in the form of mergers and new business line of activities, his experience will be of great value addition in the transition period and also subsequent thereto. He has been appointed as Additional Director on the Board of Directors and he holds office till the conclusion of the ensuing Annual General Meeting. The Board recommends his appointment as Director of the company liable to retire by rotation.

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DIRECTORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited,
Secundrabad.

The Directors present herewith the Twenty first 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 2008-09.

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	1025.21	1124.46
Profit before interest, depreciation and tax	43.11	41.56
Interest	15.88	11.91
Profit before depreciation and tax	27.23	29.66
Depreciation	(26.39)	27.56
Profit before tax for the current year	0.84	2.10
Profit after tax for the current year	3.45	0.12
Reserves as at the end of the year	209.41	205.97
Share Capital	565.33	565.33
Earnings per share	0.06	0.002

MANAGEMENT DISCUSSION, ANALYSIS AND OPERATIONS**OPERATIONS OF 2008-09 AND FUTURE OUTLOOK**

The last few years have not been very good for the company. The best efforts of the management to increase the volumes of business of the company and maintain a steady growth in its operations & profits did not yield fruits.

The world over recession hit the operations of the software division of the company adversely and eventually the management had to stop the operations in its software division from the last quarter of the Financial year 2008-09.

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The company has been sustaining from the income from other activities and the main line, i.e., pipes division has been incurring losses from the last few years. To save the company from further losses the management is planning to dispose of Land, Buildings, Plant & Machinery of its pipe unit situated at Nandikandi(V), Sadasivpet (M), Medak district. To this effect the negotiations with various parties are in progress.

The management is committed and determined to make the company a profitable one and increase the shareholders wealth and give optimum returns on the investments. In this direction the management is planning to take forward the merger plan with Sri Venkateswara Pipes Limited, and the scheme of merger will be presented to the concerned authorities such as the stock exchanges & before the Hon'ble High Court of Andhra Pradesh for final approval.

The management is confident that the merger will be a turning point to BWPL and this will take the company to a reasonable growth over the years to come.

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

During the year Sri. G. Indrasen Reddy, Director of the company resigned from the Board, and in his place Sri P.Jagadeeshwar Reddy appointed as Additional Director by passing authorised resolution at the Board meeting held on 06-01-2009.

Sri. G. Raja Reddy and Sri. S. Krishna Prasad, Directors of the company retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Sri N. Kishan Reddy was appointed as Managing Director at the Annual General Meeting held on 29th September 2004. The appointment was for a period of 5 years commencing April 01, 2004 and ending March 31, 2009. The board of Directors at their meeting held on January 06, 2009 extended his tenure for a further period of 5 years and the extension will be presented for the approval of the members in the ensuing AGM.

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Both Sri. N. Srinath Reddy and Sri. N. Kishan Reddy were provided with salary and perquisites at the time of their respective appointments and both of them at the meeting of the Board of Directors held on 06 January 2009 informed the Board of their decision not to draw remuneration from the company, in view of the downtrend in the company's business and the board accepted the same and accordingly they are not drawing remuneration from February 2009 onwards.

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

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

Managing Director.

Secunderabad, June 25, 2009.