

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

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.

Bhagyanagar Wood Plast Limited

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. Jagadeeswar Reddy has more than 3 decades of experience in teaching 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.

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.

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 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

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.

Bhagyanagar Wood Plast Limited

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.

ANNEXURE TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2008-09

Current Year Previous Year

A. CONSERVATION OF ENERGY

Electricity

Units Purchased	4,09,708	4,48,825
Total cost (Rupees) gross	18,58,716	20,01,759
Rate per unit (Rupees)	4.54	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 \$ 25,000** from Software Exports (Previous year US Dollars NIL)

Foreign Exchange Outgo: **NIL** (Previous Year – NIL)

On behalf of the Board

N.KISHAN REDDY
Managing Director
Secunderabad, June 25, 2009.

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

Sri. 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. N. Srinath Reddy	Whole Time Director	Nil	Nil
3	Sri G. Raja Reddy	Non – Executive Director	1	2
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
7	Sri. P. Jagadheeswar Reddy	Additional Director	Nil	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.

Bhagyanagar Wood Plast Limited

ATTENDANCE OF DIRECTORS AT BOARD MEETING AND ANNUAL GENERAL MEETINGS

The Board of Directors of the company met four times during financial year on 28-07-2008, 31-10-2008, 31-01-2009 and 25-06-2009.

DIRECTORS ATTENDANCE IN BOARD AND ANNUAL GENERAL MEETING

Name of the Director	No. of Board meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting
Sri.N.Kishan Reddy	4	4	Yes
Sri.G.Raja Reddy	4	4	Yes
Sri.N.Srinath Reddy	4	4	Yes
Sri.T.Naveena Chandra	4	4	Yes
Sri.S.Krishna Prasad	4	4	Yes
Sri G. Indrasena Reddy	4	3	No
Sri.P.Jagadheeswar Reddy	4	1	Yes

REMUNERATION OF DIRECTORS

Details of Remuneration paid/payable to directors

Director	Relationship With other Director of the Company	Loans from the Company	Sitting fees	Salary and perks	Commis-sion	Total
Sri.N.Kishan Reddy	Father-In-Law to Sri. N. Srinath Reddy	NIL	NIL	1,00,000	NIL	1,00,000
Sri.G.Raja Reddy	NONE	NIL	3,000	NIL	NIL	3,000
Sri.N.Srinath Reddy	Son-In-Law to Sri N.Kishan Reddy	NIL	NIL	1,00,000	NIL	1,00,000
Sri.T.Naveena Chandra	NONE	NIL	4,500	NIL	NIL	4,500
Sri.S.Krishna Prasad	NONE	NIL	4,000	NIL	NIL	4,000
Sri. G. Indrasena Reddy	NONE	NIL	3,000	NIL	NIL	3,000
Sri.P.Jagadheeswar Reddy	NONE	NIL	2,500	NIL	NIL	2,500

Bhagyanagar Wood Plast Limited

REMUNERATION COMMITTEE

As per Clause 49 of the Listing Agreement, Constitution of Remuneration Committee is non-mandatory and hence the Company has not constituted it.

Remuneration by way of sitting fee as decided by the Board of Directors for attending the Board Meetings and Committee Meetings are paid to Non Executive Directors. Further, Board of Directors determines the remuneration of the Whole-time/Executive Directors within the framework as approved by the Share holders.

During the year Sri N. Kishan Reddy, Managing Director and Sri. N. Srinath Reddy, Whole Time Director who were drawing salary by virtue of their appointment vide resolutions of the members at Annual General Meeting have represented to the Board of Directors through the Remuneration Committee that in view of the recessionary trends in the industry, the down trend and low profitability of the company they would not like to draw remuneration. This has been taken on record by the remuneration committee and forwarded to the board that has accepted the same. As such they have stopped drawing remuneration with effect from 01.02.2009 onwards.

AUDIT COMMITTEE

The committee met 4 times during the year 2008-09 on the following dates 17-07-2008, 20-10-2008, 16-01-2009 AND 12-06-2009.

The constitution of the committee and the attendance of each member of the said committee are as under.

Name of the Director	Designation	No of meetings held	No of meetings Attended
Sri.T.Naveen Chandra	Chairman	4	4
Sri.G.Raja Reddy	Member	4	4
Sri.S.Krishna Prasad	Member	4	4

The terms of reference of the Audit Committee include the following:

1. To review the quarterly, half-yearly and annual financial results of the Company before Submission to the Board.
2. To oversee the financial reporting process and disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.

Bhagyanagar Wood Plast Limited

3. To hold periodic discussions with the statutory auditors and internal auditors of the Company Concerning the accounts of the company, internal control systems, scope of audit and observations of the auditors/internal auditors.
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. To recommend the appointment and removal of external auditor, fixation of audit fee and also approval of fee for any other services by the auditors.
6. To investigate into any matter in relation to items specified in section 292A of the Company Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice in necessary.
7. To make recommendations to the Board on any matter relating to the financial management of the company.

INVESTORS' GRIEVANCE COMMITTEE

Name of the Director	Designation	No of meetings Held	No of meetings attended
Sri.G.Raja Reddy	Chairman Non-Executive	3	3
Sri.N.Kishan Reddy	Member Executive Director	3	3
Sri.S.Krishna Prasad	Member Non – Executive (Independent Director)	3	2

During the year 2008-09, 6 complaints were received from Shareholders, Investors and all of which have been satisfactorily attended. There are no pending complaints and transfers as on the date of the report.

GENERAL MEETINGS

The location and time of the Annual General Meetings held during the last 3 years are as follows

No of AGM	Date	Time	Venue	No of Special Resolutions Passed
18 th AGM	30-09-2006		Nagarjuna Function hall, Ameerpet	NIL
19 th AGM	29-09-2007		Nagarjuna Function hall, Ameerpet	NIL
20 th AGM	30-09-2008		Nagarjuna Function hall, Ameerpet	NIL

No special Resolutions were required to be put through postal ballot last year.

Bhagyanagar Wood Plast Limited

DISCLOSURES

- a. During the year, there were no transaction of material nature has been entered into by the Company with directors or management and their relative's etc, that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- b. There were no instances of non-compliance on any matter related to the capital Markets, during the last three years

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the company are regularly submitted to the stock exchanges wherever the shares of the company are listed and the same are published in leading newspapers.

GENERAL SHAREHOLDER INFORMATION

- a. 21st Annual General meeting
- Date: 30-09-2009
 - Time: 10:00 A.M
 - Venue: Nagarjuna Function hall, Nagarjuna Nagar, Hyderabad
- b. Book Closure Date: 22nd September to 30th September 2009 (both days inclusive)
- c. Listing on stock Exchanges: Bombay Stock Exchange, Hyderabad Stock Exchange.
- d. Stock code: The Stock Exchange, Mumbai. - Bhagya Wood (514442).
- e. Market Price Date - High/ Low during each month of the financial year - Not actively traded.
- f. Name and address of the share transfer agents:

Sathguru Management Consultants Pvt Ltd,
Plot NO.15, Hindi Nagar,
Punjagutta, Hyderabad - 500 034

g. Distribution of Shareholding as on 31.03.2009:

Sl. No.	Rupees	No of Shareholders	% of Share holders	No of Shares	Percentage of Share Holding
1	1-5000	5304	89.37	9679000	17.12
2	5001- 10000	316	5.32	2571250	4.55
3	10001 - 20000	154	2.59	2349440	4.16
4	20001 - 30000	51	0.86	1294200	2.29
5	30001 - 40000	21	0.35	740410	1.31
6	40001 - 50000	15	0.25	714640	1.26
7	50001 - 100000	25	0.42	1667560	2.93
8	100001 and above	49	0.83	37526500	66.38
	Total	5935	100.00	56633000	100.00

Bhagyanagar Wood Plast Limited

h. Dematerialization of shares:

As on 31st March, 2009 3987766 shares being 70.54% of the total number of shares are in dematerialization form

i. Share transfer system:

Share transfer requests in physical form are processed within 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.

To expedite the share transfer process in the physical segment, authority has been delegated to the share transfer committee which comprises of:

Sri.N.Kishan Reddy – Managing Director

Sri.G.Raja Reddy – Director.

Share transfers/transmission approved by the said committee are placed at the Board meeting from time to time.

j. Plant location ;

Bhagyanagar Wood Plast Ltd,
Nandikandi (V), Sadasivapet (M),
Medak (Dist).

k. Address for correspondence:

The company's Registered office is situated at V Floor, KPR House, S.P. Road, Secunderabad - 500 003.

Shareholders correspondence may be directed to M/s. Satguru Management Consultants Pvt.Ltd, Plot No.15,Hindi Nagar, Punjagutta, Hyderabad- 500 034.

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial Year 2008-09.

For Bhagyanagar Woodplast Ltd

N. Kishan Reddy
Managing Director
Secunderabad, June 25, 2009.

ANNEXURE TO THE DIRECTORS REPORT
CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Bhagyanagar Wood Plast Limited,
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by Bhagyanagar Wood Plast Limited. (hereinafter referred to as the company) for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreements of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, as required under Sub-clause I (A) of Clause of 49 of the Listing Agreement.

We state that in respect of investor grievance received during the year ended 31st March, 2009 no investor grievances are pending against the Company exceeding one month as per records maintained by the company which are presented to the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V. Sridhar & Co.,
Chartered Accountants

Vemulapati Sridhar
Proprietor
Secunderabad, June 25, 2009.

Auditors' Report

To the Members of Bhagyanagar Wood Plast Limited, Secunderabad.

- 1 We have audited the attached balance sheet of Bhagyanagar Wood Plast Limited, as at 31st March, 2009, the profit and loss account and also the cash flow statement 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 conducted our audit in accordance with the 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 of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 the 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 purposes 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement 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 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009, 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 31st March, 2009.
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For V. Sridhar & Co.,
Chartered Accountants.

Vemulapati Sridhar
Proprietor
Membership No: 202337
Secunderabad. June 25, 2009

Annexure to the Auditors' Report

Re: Bhagyanagar Wood Plast Limited, Year ended March 31, 2009.
Referred to in paragraph 3 of our report of even date,

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management during the year at reasonable intervals has physically verified the fixed assets. According to information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of assets during the year under review.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. According to information and explanations given to us no material discrepancies were noticed between the physical stocks and the book records.
- (iii) The company has granted loan to Sri Venkateswara pipes Limited, a related party. The maximum balance in the account during the year and the year end balance was Rs. 2.37 Crores.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (c) The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (vii) The Central Government has not prescribed maintenance of cost records to the company.
- (viii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (ix) The company does not have any accumulated losses.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks. The company has not issued any debentures.
- (xi) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xii) The company is not a chit fund or a *nidhi* / mutual fund / society.
- (xiii) Proper records have been maintained in respect of the transactions in shares and timely entries have been made therein. In respect of the shares/ investments whose transfer has been pending as at the last day of the financial year the entries have been made as soon as the transfer is recorded. These shares and securities are held in the name of the company.
- (xiv) The company has not raised any term loans during the year.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xvi) The company has not made any preferential allotment during the year.
- (xvii) The company has not issued any debentures.
- (xviii) The company has not raised any monies from public issue during the year under review.
- (xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V. Sridhar & Co.,
Chartered Accountants,

Vemulapati Sridhar
Proprietor
Secunderabad. June 25, 2009.

Bhagyanagar Wood Plast Limited

YEAR ENDED 31.03.2009

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Sch	As at		As at	
		March 31, 2009		March 31, 2008	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1 Shareholder's funds					
a. Share capital	1		56533000		56533000
b. Reserves and surplus	2		20941935		20596240
2. Deferred Tax Liability			4624998		5276685
3. Loan Funds					
a. Secured Loans	3		6365570		6855845
b. Unsecured Loans			6322561		6498031
Total			94788063		96559801
II. APPLICATION OF FUNDS					
1. Fixed assets	4				
a. Gross block		60018016		59627134	
b. Less: Depreciation		32632930		30323665	
c. Net block			27385086		29303469
2. Investments	5		5959700		5959700
3. Current Assets, loans and advances					
a. Inventories	6	11539733		11513456	
b. Sundry debtors	7	46538539		47231261	
c. Cash and bank balances	8	3511517		6039662	
d. Other current assets		3043344		3090833	
e. Loans and advances	9	12156008		12627763	
Total(a)		76789139		80702975	
4. Less: Current liabilities and Provisions	10				
a. Liabilities		11333178		17213240	
b. Provisions		4012684		3193104	
Total(b)		15345862		20406344	
Net current assets (a-b)			61443278		60296632
5. Miscellaneous expenditure to the extent not written off or adjusted					
Total			94788064		96559801
6. Notes on Accounts	16				

As per our report of even date
For V Sridhar & Co.,
Chartered Accountants

For and on behalf of Board of Directors

Vemulapati Sridhar
Proprietor
Memb No. 202337.

N Kishan Reddy
Managing Director

N. Srinath Reddy
Wholtime Director

Bhagyanagar Wood Plast Limited

YEAR ENDED 31 03.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Sch	Period ended	Period ended
		March 31, 2009	March 31, 2008
		Rupees	Rupees
I. INCOME			
Sales and operating income	11	68882076	83159577
Software Development and consulting		31318216	28841534
Other Income	12	2320449	388016
Profit on sale of shares		0	58886
Increase / (-) Decrease in Stocks	13	(153507)	(163422)
Total		102367235	112282591
II. EXPENDITURE			
Raw material consumed	14	43753030	54079835
Administrative, selling and other expenses	15	45556787	39505800
Expenditure of Laying & jointing contracts excluding cost of pipes used therein		10748	3832519
Cost of traded items		0	0
Interest and finance charges		1588521	1190527
Excise duty		6370463	8152703
VAT		2364996	2588599
Depreciation	4	2638799	2755618
Total		102283343	112073601
Profit before tax for the year		83892	208990
Prior period adjustments		41497	(150465)
FBT		(36896)	(47742)
Provision for current Tax		(394485)	(895810)
Deferred Tax (Timing Difference)		651687	89/013
Profit after tax for the year carried to Balance sheet		345695	11986
EPS (Basics) (PAT/No. of Shares)		0.06	0.002
Notes on accounts	16		

As per our report of even date

For V.Sridhar & Co.,
Chartered Accountants.

For and on behalf of Board of Directors

Vemulapati Sridhar
Proprietor
Memb No.202337.
Secunderabad. June 25, 2009.

N. Kishan Reddy
Managing Director
N. Srinath Reddy
Wholetime Director

Bhagyanagar Wood Plast Limited

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at	March
	March 31, 2009	March 31, 2008	31, 2008
	Rupees	Rupees	
SCHEDULE 1 : SHARE CAPITAL			
AUTHORISED			
65,00,000 equity share of Rs. 10 each	55000000	65000000	
Issued, subscribed and paid up			
56,53,300 equity share of Rs. 10 each	56533000	56533000	
SCHEDULE 2 : RESERVES AND SURPLUS			
<i>Profit and Loss account</i>			
Per last Balance Sheet	18227154	18215168	
Transferred from profit and loss account	345695	11986	
	(A) 18572849	18227154	
State subsidy	(B) 2369086	2369086	
Total(A+B)	20941935	20596240	
SCHEDULE 3 : SECURED LOANS			
State Bank of Hyderabad			
Cash Credit limits	782911	1820289	
Tellapur plot Loan-ICICI Bank	4441818	4588023	
[Towards working capital limits, Cash Credit and ODBD accounts, secured by way of hypothecation of stocks and book debts and second charge on all the fixed assets of the company, both present and future]			
Hire Purchase Loans	1140841	247533	
Total	6365570	6655845	
SCHEDULE 5 : INVESTMENTS (NON TRADE)			
73,600 equity shares of Rupees 10 each in Balaji Amines Limited at a premium of Rs.30	2944000	2944000	
Indra Vikas Patra [Bearer Bond, hence not in the name of the company]	200	200	
National Savings Certificate	15500	15500	
3,00,000 equity shares of Rupees 10 each in Sri Venkateswara Pipes Limited	3000000	3000000	
Total	5959700	5959700	
Quoted value of the above	4349760	8096000	
Aggregate Value of quoted investments	4349760	8096000	
Aggregate value of unquoted investments	3015700	3015700	

Schedule to the Balance Sheet

Schedule 4 : Fixed Assets

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2008	Additions/ Deletions	As at 31-Mar-08	Up to 31.03.2008	Adjustments	For the year ended	As at 31.03.2008	As at 31.03.2008
Land	6,971,735	(79,080)	6,892,655	-	-	-	6,892,655	6,971,735
Factory Building	7,426,279	-	7,426,279	3,083,591	-	248,038	3,331,599	4,342,738
Non Factory Building	2,536,596	-	2,536,595	523,162	-	41,347	564,509	2,013,434
Plant & Machinery	32,726,387	23,340	32,749,737	20,360,109	-	1,728,467	22,088,576	12,968,288
Furniture & Fixtures	1,285,634	-	1,285,634	758,346	-	81,252	839,596	527,288
Office Equipment	3,845,431	5,720	3,951,151	2,257,559	-	247,293	2,504,952	1,687,772
Vehicles	2,698,489	1,134,657 (983,775)	3,129,371	1,294,265	(329,534)	292,403	1,257,124	1,394,234
Others	2,048,593	-	2,048,593	2,046,583	-	-	2,046,583	-
Total	59,627,134	390,882	60,018,016	30,323,665	(329,534)	2,638,799	32,632,930	29,303,469

Note: Included in the above are Segment Assets relating to the Software Division as Under:

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2008	Additions/ Deletions	As at 31.03.2008	Up to 31.03.2008	Adjustments	For the year ended	As at 31.03.2008	As at 31.03.2008
Furniture	562,631	-	562,931	479,681	-	60,321	539,982	412,949
Office Equipment	2,800,717	-	2,800,717	1,390,759	-	177,285	1,568,043	1,232,674
Others	1,708,693	-	1,708,693	1,708,693	-	1,708,693	1,708,693	1,409,958
Total	3,462,341	-	3,462,341	3,379,112	-	337,608	3,616,718	1,883,229

Bhagyanagar Wood Plast Limited

YEAR ENDED 31.03.2009

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at
	March 31, 2009	March 31, 2008
	Rupees	Rupees
SCHEDULE 6 : INVENTORIES		
Finished goods	3394146	3204193
Reusable scrap	1718032	2061492
Raw materials	2008428	2961797
Stock in trade - Trade Investments	4419126	3285974
Total	11539733	11513456
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured; considered good)		
Over six months	40360218	39484312
Others	6178321	7746949
Total	46538539	47231261
SCHEDULE 8: CASH AND BANK BALANCES		
Cash on hand (including cash at factory and branches)	723881	1363119
Cash in account with Fleet Bank, USA	532234	3770838
Cash with scheduled banks; In current accounts	2255401	905704
Total	3511517	6039661
SCHEDULE 9: LOANS AND ADVANCES (Unsecured; considered good)		
Advances recoverable in cash or in kind or for value to be received	12156006	12827763
Total	12156006	12827763
SCHEDULE 10: CURRENT LIABILITIES AND PROVISIONS		
In respect of total outstanding dues of Small Scale Industrial Undertakings and to creditors other than Small Scale Industrial Undertakings refer Note 10.	0	0
Creditors for raw materials	7886970	13339309
Dealership and other deposits	90000	90000
Others	3356208	3783930
	11333178	17213239
Provisions		
Provision for expenses	3618199	2297294
Provision for taxation	394485	895810
	4012684	3193104

YEAR ENDED 31.03.2009

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at
	March 31, 2009	Mar 31, 2010
	Rupees	Rupees
SCHEDULE 11 : SALES & OPERATING INCOME		
P V C Pipes	53576529	6408837
HDPE Pipes	6575154	1386457
Income from Supervision and Commissioning works of pipes	8700000	
Gross Receipts from laying and jointing contracts including supply of pipes	30393	520661
Total	68882076	8315957
SCHEDULE 12: OTHER INCOME		
Interest	65429	5041
Dividends	859080	27621
Profit on Sale of Assets	1395940	5937
Total	2320449	38607
SCHEDULE 13: INCREASE / (-) DECREASE IN STOCKS		
<i>Opening stock</i>		
Finished goods	3204193	37777
Reusable scrap	2081492	16513
Total	5285685	542917
<i>Closing stock</i>		
Finished goods	3394146	320417
Reusable scrap	1718932	208147
Total	5112178	5285685
Increase/(-) Decrease in stock	(153507)	(183427)
SCHEDULE 14 : RAW MATERIALS CONSUMED		
Opening stock	2961797	271377
Add : Purchases	42799661	5432797
	45761458	5704167
Less : Closing Stock	2008428	296177
Raw material consumed	43753030	5407990

Bhagyanagar Wood Plast Limited

YEAR ENDED 31.03.2009

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at	March
	March 31, 2009	March 31, 2008	31, 2008
	Rupees		Rupees
SCHEDULE 15: MANUFACTURING, SELLING AND OTHER EXPENSES			
Salaries and employee benefits			
-- Salaries, wages and other emoluments	3201513		1874347
-- ESI and Group Insurance	322917		263018
-- Staff welfare expenses	59035		57314
Consumption of stores and spares	480934		402912
Power	1858716		2029521
Oil, fuel and lubricants	29087		104212
Repairs and maintenance			
-- Buildings	8500		0
-- Machinery	195627		154176
-- Vehicles	313417		117001
-- Others	52739		67071
Rent	122820		147200
Insurance	89178		101783
Carriage outwards	117800		251900
Discount allowed	124320		113791
Software development expenses	3200653		28066317
Other Expenses	6879531		5755237
Total	46886787		39505800

SCHEDULE 16: NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- A BASIS OF ACCOUNTING:** The financial statements are prepared under historical cost convention on accrual basis.
- B FIXED ASSETS:** The fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All direct expenses relating to construction or acquisition are capitalized as cost of fixed assets.
- C DEPRECIATION :** Depreciation on fixed assets is charged on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of the additions made during the year, depreciation is charged on pro-rata basis.
- D INVESTMENTS:** Non trade investments are stated at cost of acquisition. Trade investments are carried as stock in trade and are stated at lower of cost or realizable value.
- E SALES TAX DEFERMENT :** Interest free sales tax deferment, to the extent availed by the company, is shown under the head "Unsecured loans", in the Balance Sheet.
- F INVENTORIES:** These are valued at lower of cost or net realizable value. Cost of finished goods for this purpose is inclusive of excise duty and is arrived at on absorption costing basis.
- G SEGMENT ACCOUNTING POLICIES OF SOFTWARE DIVISION.**

SOFTWARE INCOME AND COSTS: Billed man hours and amounts receivable as per software development contracts / orders are considered as income. Unbilled man hours in respect of software contracts and man hour costs in respect of software products under development are considered as work in progress. These will be adjusted to profit and loss account upon billing / completion of the product as the case may be.

2. Segment revenue /segment expenses of software Division (over seas Branch) is as under.	<u>Current year</u>	<u>Previous year</u>
(a) Segment revenue :		
External Sales	3,13,18,216	2,88,41,534
(b) Segment expenses :		
(i) Administrative and software Development expenses	3,20,00,553	2,81,03,117
(ii) Depreciation	2,37,606	3,35,265
	-----	-----
	3,22,38,259	2,94, 38,382
	-----	-----
(c) Segment results profit / (loss) from software division(a-b)	(-)9,20,043	4,03,152

3. In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and these are unsecured, but considered good.
4. The company is in the process of receiving confirmations from the debtors and creditors.
5. Consumption of stores and spares and other consumables have been ascertained on the basis of physical verification carried out on March 31, 2009.

6. Included in current liabilities (Creditors for expenses) is sales tax payable which as per the terms of supply to Government Departments is to be deducted at the time of payment for pipes etc. supplied to them and paid directly to the department. The amount shown as sales tax payable will be adjusted as and when advises are received from the Government Departments.

7.

a. Remuneration to Auditors

As Auditors
Towards Audit and other matters

	Current Year	Previous year
	1,05,000	65,000
	45,000	45,000
Total	1,50,000	1,10,000

b. Remuneration to Directors

Sn N. Kishan Reddy, Managing Director
Sri N. Srinath Reddy, Whole Time Director

	1,00,000	1,20,000
	1,00,000	1,20,000

8. Foreign Exchange Earnings and Outgo.

OUT GO (towards purchase of PVC Resin) in US \$
Equivalent to Rupees

	--	--
	--	--

EARNINGS

Equivalent to Rupees

	US \$ 25000	NIL
	Rs.11,76,867	NIL

9. Quantitative particulars

A Installed capacities (TPA)

P.V.C. Pipes and Profiles Combined

	4,500	4,500
--	-------	-------

B Production (Kgs)

P.V.C Pipes
H.D.P.E. Pipes

	8,38,804	9,84,785
	67,609	1,29,820

C Sales(Kgs)

P.V.C. Pipes
H.D.P.E. Pipes

	8,41,244	10,08,551
	61,113	1,30,625

D Closing Stocks (Kgs)

P.V.C. Pipes
H.D.P.E. Pipes

	44,120	46,560
	7,081	585

**E Value for Opening Stocks,
Sales and Closing Stocks (Rupees)**

Opening Stocks
P.V.C. Pipes
H.D.P.E. Pipes

	31,42,408	36,34,262
	61,786	1,43,461

Sales

P.V.C. Pipes
H.D.P.E. Pipes

	5,35,76,529	6,40,88,377
	65,75,154	1,38,64,515

Closing Stocks

P.V.C. Pipes
H.D.P.E. Pipes

	27,56,820	31,42,408
	6,42,970	61,786

		Current year	Previous year
F	Consumption of Raw Materials		
	Quantity in Kgs.		
	P.V.C Resin	6,71,550	8,32,140
	Value (Rupees)		
	P.V.C Resin	3,88,64,992	4,38,10,638
	Other Chemicals and Consumables	47,08,538	1,04,67,197

10. The company is not having adequate information about the industrial status of its creditors. Hence the information required to be given with regard to the amounts owed to the Small Scale Industries is not provided. The company is making efforts to obtain the same.

11. The company has carried out the following transactions with related parties. The details of the transactions are as under

Nature of the transaction	Transaction value Rupees in lacs	Balance outstanding Receivable (+) Payable (-) as on Balance Sheet date	Amount written off/back Rupees in lacs
Sales of pipes to Sri Venkateswara pipes Limited	Rs.76.57 Lacs	(+) 0.52	NIL
Contract works provided to Sri Venkatesawra pipes Limited	Rs.87.00 Lacs	(+) 87.00	NIL
Loan given to Sri Venkateswara pipes Limited.	Rs.94.00 Lacs	(+) 150 (Net of dues shown above)	NIL
Sale of PVC Pipes to Sri KPR Infra& Projects Limited	Rs.13.15 Lacs	NIL	NIL

12. The company holds 3,00,000 equity shares of Rs.10/- each fully paid up in Sri Venkateswara Pipes Limited.

13. BALANCE SHEET EXTRACT OF THE COMPANY'S GENERAL PROFILE

I. Registration Details			
Registration Number	: 9157	State code	01
Balance Sheet Date	: 31-03-2009		
II. Capital raised during the year (Amount in Rs. Thousands)			
Public issue	: Nil	Rights Issue	: Nil
Bonus issue	: Nil	Private Placement	: Nil
III. Position of the Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities		Total Assets	
Sources of Funds			
Paid up capital	: 56533	Reserves and Surplus	: 20942
Secured loans	: 6365	Unsecured Loans & Deferred taxation	: 10948
Applications of funds			
Net Fixed Assets	: 27385	Investments	: 5960
Net Current Assets	: 61443	Miscellaneous Expenditure & Deferred taxation	: ---
Accumulated Losses	: ---		
IV. Performance of the Company (Amount in Rs.Thousands)			
Turnover	: 102520.74	Total expenditure	: 102436.85
(+) Profit / (-) Loss Before Tax	: 83.39	(+) Profit / (-) Loss After Deferred Tax	: 346.69
Earning per share (Rs)	: 0.06	Dividend	: ---
V. Generic Name of three principal products			
Item Code		39252000/39259900	
Product description		PVC Profiles	
Item Code		39172309	
Production description		PVC Pipes	
Item Code			
Product description		Investments	
Item Code			
Product description		Software division	

14. Previous year's figures have been regrouped and reclassified wherever considered necessary and all figures are rounded off to the nearest rupee.

Signatories to Schedules '1' to '16'

As per our report of even date

For. V.Sridhar & Co.,

Chartered Accountants,

for and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Secunderabad, June 25, 2009.

N. Srinath Reddy
Whole Time Director

N.Kishan Reddy
Managing Director

Bhagyanagar Wood Plast Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	(Rupees in Lacs)	
	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Profit Before Interest, Tax and After Prior Period adjustments	17.14	12.50
Add (+) / Less (-) Adjustments for the following		
Interest income considered separately		
Depreciation	(-23.20)	(-) 0.50
(-) Increase / (+) Decrease in Inventories	(+26.39)	(+) 27.56
Increase (-) / Decrease (+) in receivables	(-10.26)	(+) 7.60
Increase (+) / Decrease (-) in other current assets and loans and advances	(+6.93)	(+) 114.46
Income tax paid	(+7.19)	(-) 44.62
Non Cash Charges (Loss on sale of assets)	(-19.33)	(-) 2.85
Increase(+) / Decrease (-) in current liabilities	(+1.65)	(+) 9.44
Cash Flow from Operating Activities (A)	(-45.59)	(-) 14.40
	(-)19.11	109.19
B. Cash Flow from Investing Activities		
Sale / (-) Purchase of fixed assets	5.11	2.63
Interest and dividend income	9.24	0.50
Cash flow from Investing Activities (B)	14.36	3.13
C. Cash Flow from Financing Activities		
Increase (+) / Decrease (-) in Secured Loans	(2.90)	(26.88)
Decrease in unsecured loans	(1.75)	(47.49)
Interest Paid	(15.89)	(11.91)
Cash flow from Financing Activities (C)	(20.54)	(86.28)
Net Increase in Cash or cash equivalents [A + B + C]	(25.29)	26.04
Cash or cash equivalents at the beginning of the year (April 1, 2008)	60.41	34.37
Cash or cash equivalents at the end of the year (March 31, 2009)	35.12	60.41
Increase (+) / Decrease (-)	(25.29)	26.04

As per our report of even date attached
For, V.Sridhar & Co
Chartered Accountants

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Secunderabad. June 25, 2009.

N. Srinath Reddy
Whole Time Director

N.Kishan Reddy
Managing Director