

NOTICE

Notice is hereby given that the 22nd Annual General meeting of the members of M/s. Bhagyanagar Wood Plast Limited will be held at 10 A.M. on Thursday, the 30th September 2010 at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda (back side of Chemias 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 2010 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 N. Srinath 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 T. Naveen Chandra, 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 fit 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 for the financial year 2010-2011 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 Ltd.,

N. Kishan Reddy,
Managing Director.

Place: Secunderabad
Date : 31.05.2010

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 2010 to 30th September 2010 (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 photo 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. Srinath Reddy
Date of Birth : 14-05-1968
Date of Appointment : 25-09-1997

Special Expertise : Marketing & General Administration

Qualifications : MBA

Directorships of other Companies as on 31st March 2010 : NIL

Name of the Director : T. Naveen Chandra
Date of Birth : 28-11-1960
Date of Appointment : 15-06-2001

Special Expertise : Finance

Qualifications : CA

Directorships of other Companies as on 31st March 2010 :
1) Balaji Amines Limited
2) Saketa Consultancy Ltd
3) Saketa Fin Stock Pvt. Ltd
4) PHJ Securities Pvt. Ltd

N. Kishan Reddy
Managing Director

Place: Secunderabad
Date: 31.05.2010

Bhagyanagar Wood Plast Limited

DIRECTORS' REPORT

To the Members of Bhagyanagar Wood Plast Limited,
Secunderabad.

The Directors present herewith the Twenty Second 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 2009-10.

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	655.29	1026.21
Profit before interest, depreciation and tax	(106.02)	43.11
Interest	5.55	15.68
Profit before depreciation and tax	(111.57)	27.23
Depreciation	(2.10)	(26.39)
Profit before tax for the current year	(113.67)	0.84
Profit after tax for the current year	(71.31)	3.45
Reserves as at the end of the year	138.11	209.41
Share Capital	565.33	565.33
Earnings per share	(12.61)	0.06

MANAGEMENT DISCUSSION, ANALYSIS AND OPERATIONS

OPERATIONS OF 2009-10 AND FUTURE OUTLOOK

The competition from unorganized sector has been an impediment in the growth of the company for quite some time now. This aspect has adversely effected the operations of the company, severely damaging the profitability and the operational results. In the earlier year the software division of the company was shut down and in the Financial Year 2009-10 with the approval of the members, the PVC Pipe undertaking was sold.

Considering the fact that the PVC pipe division has consistently been weakening, the management for some time now was contemplating a strategic merger with one of its associate concerns viz., Sri Venkateswara Pipes Limited.

Sri Venkateswara Pipes Limited is a company which started its operations with the technical know-how and expertise extended by Bhagyanagar Wood Plast Limited ever since the inception of the said company.

Bhagyanagar Wood Plast Limited

Initially Bhagyanagar Woodplast Limited also invested in the share capital of the company and for the provision of technical consultancy, royalty was also received. Over the period of last few years, the technical and advisory expertise extended by Bhagnagar Woodplast Limited to Sri Venkateswara Pipes Limited enabled the said company to become a leader in the field of asbestos cement pressure pipes.

Considering the long association, both as a investor as well as provider of technical support and considering the present market positioning of Sri Venkateswara Pipes Limited, the management has come to a firm conclusion that the strategic merger of Sri Venkateswara Pipes Limited with Bhagyanagar Woodplast Limited would be in the best interest of the share holders of both the companies. This would also fuel the future growth of the merged entity, particularly in view of the fact that Bhagyanagar Woodplast Limited has the technical expertise and also the cash reserves required for the growth. The management is confident that the operations of the coming year will be on a highly positive path in the post merged entity. The management will approach the share holders in due course of time with the necessary approvals for the merger.

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. N. Srinath Reddy and Sri. T. Naveen Chandra, Directors of the company retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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

M/s 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
Chairman.
Secunderabad, May 31, 2010.

Bhagyanagar Wood Plast Limited

ANNEXURE TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2009-10

	Current Year	Previous Year
A. CONSERVATION OF ENERGY		
<i>Electricity</i>		
Units Purchased	293223	409708
Total cost (Rupees) gross	1214892	1858716
Rate per unit (Rupees)	4.00	4.54

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: NIL

Foreign Exchange Outgo: NIL (Previous Year - NIL)

For and on Behalf of the Board

N.KISHAN REDDY
Chairman
Secunderabad, May 31, 2010.

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	3	1
2.	Sri. N. Srinath Reddy	Whole Time Director	2	Nil
3.	Sri G. Raja Reddy	Non - Executive Director	2	2
4.	Sri. T. Naveena Chandra	Independent Non - Executive Director	4	1
5.	Sri S. Krishna Prasad	Independent Non - Executive Director.	Nil	2
6.	Sri. P. Jagadheeswar Reddy	Independent Non-Executive 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 seven times during financial year on 31-7-09,14-08-09,25-08-09,5-10-09,31-10-09,29-12-09,30-01-10.

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	7	7	Yes
Sri.G.Raja Reddy	7	7	Yes
Sri.N.Srinath Reddy	7	7	Yes
Sri.T.Naveena Chandra	7	6	Yes
Sri.S.Krishna Prasad	7	6	Yes
Sri.P.Jagadheeswar Reddy	7	7	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	Commission	Total
Sri.N.Kishan Reddy	Father-in-Law to Sri. N. Srinath Reddy	NIL	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL
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.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.

AUDIT COMMITTEE

The committee met 4 times during the year 2009-10 on the following dates 15-07-2009, 22-10-2009, 10-01-2010 AND 07-06-2010.

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
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..
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.

Bhagyanagar Wood Plast Limited

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 2009-10, 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
19 th AGM	29-09-2007		Nagarjuna Function hall, Ameerpet	NIL
20 th AGM	30-09-2008		Nagarjuna Function hall, Ameerpet	NIL
21 st AGM	30-09-2009		Nagarjuna Function hall, Ameerpet	NIL

Special Resolution u/s 293(1) (a) has been passed.

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.

Bhagyanagar Wood Plast Limited

- 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. 22nd Annual General meeting
- Date: 30-09-2010
 - Time: 10.00 A.M
 - Venue: Nagarjuna Function hall, Nagarjuna Nagar, Hyderabad
- b. Book Closure Date: 22nd September to 30th September 2010 (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,
Purjagutta, 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	5252	88.67	9458600	16.73
2.	5001- 10000	301	5.14	2445400	4.33
3.	10001 - 20000	153	2.61	2337190	4.13
4.	20001 - 30000	48	0.82	1211500	2.14
5.	30001 - 40000	18	0.31	636410	1.12
6.	40001 - 50000	14	0.24	664640	1.18
7.	50001 - 100000	25	0.43	1876610	2.97
8.	100001 and above	46	0.79	38103650	67.40
	Total	5857	100.00	56533000	100.00

h. Dematerialization of shares:

As on 31st March, 2010 41133830 shares being 72.76% of the total number of shares are in dematerialization form

i. Share transfer system:

Bhagyanagar Wood Plast Limited

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. Address for correspondence:

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

k. 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 2009-10.

For Bhagyanagar Woodplast Ltd

N. Kishan Reddy
Managing Director
Secunderabad. May 31, 2010.

Bhagyanagar Wood Plast Limited

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 2010 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, 2010 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, May 31, 2010.

Bhagyanagar Wood Plast Limited

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, 2010, 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;

Bhagyanagar Wood Plast Limited

- (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010, 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, 2010.
 - (b) in the case of the profit and loss account, of the loss 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.

Venulapati Sridhar
Proprietor
Membership No: 202337
Secunderabad. May 31, 2010.

Bhagyanagar Wood Plast Limited

Annexure to the Auditors' Report

Re: Bhagyanagar Wood Plast Limited, Year ended March 31, 2010.
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 during the year disposed off its manufacturing facility and also the assets pertaining to Software division. In our opinion and according to the information and explanation given to us the said disposal does not affect the company's going concern.
- (ii) (a) All the inventory remaining with the company has been disposed off along with the pipe undertaking. The company did not carry any inventory after the said disposal.
 - (b) Prior to the said disposal the company's management physically verified the inventory at regular intervals and the procedures followed were adequate in relation to the size of the company and the nature of its business.
- (iii) (a) 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. 2.50 Crores.
 - (b) The interest & other terms & conditions of the Loan given are not prima facie prejudicial to interest of the company.
 - (c) The payment of principal & interest are as agreed by the parties & are regular.
- (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

Bhagyanagar Wood Plast Limited

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, 2010 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.

Bhagyanagar Wood Plast Limited

- (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, May 31, 2010.

Bhagyanagar Wood Plast Limited

BALANCE SHEET AS AT March 31, 2010

Particulars	Sch	As at		As at	
		March 31, 2010	March 31, 2010	March 31, 2009	March 31, 2009
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1. Share holders' funds	1		56533000		56533000
a. Share capital	2		13811291		20941935
b. Reserves and surplus					
2. Deferred Tax Liability			388059		4624998
3. Loan Funds	3		712633		6365570
a. Secured Loans			0		6322561
b. Unsecured Loans					
Total			71444983		94788063
II. APPLICATION OF FUNDS					
1. Fixed assets	4				
a. Gross block		9218181		60018018	
b. Less: Depreciation		1368257		32692930	
c. Net block			7849924		27385088
2. Investments	5		5959700		5959700
3. Current Assets, loans and advances	6	3758686		11539733	
a. Inventories (Traded Shares)	7	26887822		46538539	
b. Sundry debtors	8	6631706		3611517	
c. Cash and bank balances		528126		3043344	
d. Other current assets		25560210		12156006	
e. Loans and advances	9				
Total(a)		63466530		76789139	
4. Less: Current Liabilities and Provisions	10				
a. Liabilities		2428731		11333178	
b. Provisions		3402439		4012684	
Total(b)		5831170		15345862	
Net current assets (a-b)			57635359		61443277
5. Miscellaneous expenditure to the extent not written off or adjusted			0		0
Total			71444983		94788063
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
Hyderabad, May 31, 2010.
Firm No. 006206s

N. Kishan Reddy
Managing Director

N. Srinath Reddy
Whole time Director

Bhagyanagar Wood Plast Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010.

Particulars	Sch	Year Ended	Year Ended
		March 31, 2010	March 31, 2009
		Rupees	Rupees
I. INCOME			
Sales and operating income	11	49833600	68882076
Software Development and consulting		0	31318216
Other Income	12	2029662	2320449
Profit on sale of shares		1298920	0
Profit on sale of Assets		12367279	0
Increase / (-) Decrease in Stocks	13	(5112178)	(153507)
Total		60417283	102367234
II. EXPENDITURE			
Raw material consumed	14	34994157	43753030
Administrative, selling and other expenses	15	30227635	45556787
Expenditure of Laying & jointing contracts		0	10748
Interest and finance charges		554593	1588521
Excise duty		3436725	6370463
Sales Tax		2361116	2364996
Depreciation	4	210640	2638799
Total		71784866	102283344
Profit / (-) Loss before tax for the year		(11367583)	83890
Prior period adjustments		0	41497
FBT		0	(36896)
Provision for current Tax		0	(394485)
Deferred Tax (Timing Difference)		4236939	651687
Balance after appropriations		(7130644)	345693
Balance in Profit & Loss A/c brought forward		18572849	18227154
Balance carried forward to Balance sheet		11442205	18572847
EPS (Basic) [PAT/No. of Shares]		(12.61)	0.06
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
Hyderabad, May 31, 2010.

N.Kishan Reddy
Managing Director

N.Srinath Reddy
Whole time Director

Bhagyanagar Wood Plast Limited

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rupees	Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorized		
65,00,000 equity share of Rs. 10 each	65000000	65000000
Issued, subscribed and paid up		
58,53,300 equity share of Rs. 10 each fully paid up	56533000	56533000
SCHEDULE 2 : RESERVES AND SURPLUS		
Surplus in Profit & Loss Account	11442205	18572847
State subsidy	2369086	2369086
Total	13811291	20941933
SCHEDULE 3 : SECURED LOANS		
State Bank of Hyderabad		
Cash Credit limits	0	782911
Tellapur plot Loan-ICICI Bank	0	4441818
[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. The amount has been fully repaid and charge on assets released]		
Hire Purchase Loans	712633	1140841
Total	712633	6365570
SCHEDULE 5 : INVESTMENTS (NON TRADE)		
1,47,200 equity shares of Rupees 10 each in Balaji Amines Limited at a premium of Rs.30 (Including 73600 Bonus Shares)	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	11304960	4349760
Aggregate Value of quoted investments	11304960	4349760
Aggregate value of unquoted investments	3015700	3015700

Schedule to the Balance Sheet

Schedule 4: Fixed Assets

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK					
	As at 31.03.2009	Additions	Deletions	As at 31.03.2010	Up to 31.03.2009	Adjustments	For the year ended	As at 31.03.2010	As at 31.03.2009	
Land	8,892,885		(324,185)	8,568,700				8,568,700	8,892,885	
Factory Building	7,428,278		(7,428,278)		3,331,588	(3,331,588)			4,096,690	
Non Factory Building	2,838,598		(2,536,598)		564,509	(564,509)			1,972,087	
Plant & Machinery	32,748,737		(22,748,737)		22,088,576	(22,088,576)			10,861,181	
Furniture & Fixtures	1,265,824			1,265,824	839,568		81,252	384,794	448,038	
Office Equipment	3,951,151	6,200	(3,951,151)	6,200	2,504,852	(2,504,852)	389	5,809	1,445,199	
Vehicles	8,129,371		(1,771,504)	1,357,867	1,257,124	(839,105)	128,997	487,918	1,872,247	
Others	2,048,583		(2,048,583)		2,048,583	(2,048,583)				
Total	60,878,018		(58,508,035)	9,218,181	32,837,831	(31,475,314)	310,540	1,248,257	7,849,924	27,385,065

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

Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As at 31.03.2009	Additions	Deletions	As at 31.03.2010	Up to 31.03.2009	Adjustments	For the year ended	As at 31.03.2010	As at 31.03.2009
Furniture	652,891		(652,891)		539,882	(539,882)			412,949
Office Equipment	2,800,747		(2,800,747)		1,968,043	(1,968,043)			1,292,874
Total	3,453,638		(3,453,638)		2,107,925			2,107,925	12,108,025

Bhagyanagar Wood Plast Limited

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT		
Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rupees	Rupees
SCHEDULE 6 : INVENTORIES		
Finished goods	0	3394148
Reusable scrap	0	1718032
Raw materials	0	2008428
Stores and spares	0	0
Others - packing material	0	0
Stock in trade - Trade Investments	3758666	4419126
Total	3758666	11539732
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured; considered good)		
Over six months	26987822	40360218
Others	0	6178321
Total	26987822	46538539
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash on hand (including cash at factory and branches)	503351	723881
Cash in account with Fleet Bank USA, (US \$ 11,099.64)	0	532234
Cash with scheduled banks; In current accounts	6128354	2255401
Total	6631706	3511516
SCHEDULE 9 : LOANS AND ADVANCES (Unsecured; considered good)		
Advances recoverable in cash or in kind or for value to be received	25560212	12156008
Total	25560212	12156008
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 12.	0	0
Creditors for raw materials	0	7686970
Dealership and other deposits	90000	90000
Others	2338731	3356208
	2428731	11333178
Provisions		
Provision for expenses	3402439	3618199
Provision for taxation	0	394485
	3402439	4012684

Bhagyanagar Wood Plast Limited

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rupees	Rupees
SCHEDULE 11 : SALES		
P V C Pipes.	44881200	53576529
Sale of scrap, empty bags ,Raw material etc.	2653181	0
HDPE Pipes	2299219	6575154
Other contract work receipts	0	8700000
Gross Receipts from laying and jointing contracts including supply of pipes	0	30393
Total	49833600	68882076
SCHEDULE 12: OTHER INCOME		
Interest	795194	65429
Dividends	1234468	859080
Others	0	1395940
Total	2029662	2320449
SCHEDULE 13: INCREASE / (-) DECREASE IN STOCKS		
<i>Opening stock</i>		
Finished goods	3394146	3204193
Reusable scrap	1718032	2081492
Total	5112178	5265685
<i>Closing stock</i>		
Finished goods	0	3394146
Reusable scrap	0	1718032
Total	0	5112178
Increase/(-) Decrease in stock	(5112178)	(153507)
SCHEDULE 14 : RAW MATERIALS CONSUMED		
Opening stock	2008428	2981797
Add : Purchases	32985729	42799661
	34994157	45761458
Less: Closing Stock	0	2008428
Raw material consumed	34994157	43753030

Bhagyanagar Wood Plast Limited

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rupees	Rupees
SCHEDULE 15: MANUFACTURING, SELLING AND OTHER EXPENSES		
Salaries and employee benefits		
– Salaries, wages and other emoluments	1608491	3207513
– ESI and Group Insurance	404754	322917
– Staff welfare expenses	27085	59035
Consumption of stores and spares	0	480004
Power	1214892	1858716
Oil, fuel and lubricants	0	29087
Repairs and maintenance		
– others	55849	8500
– Machinery	87419	105627
– Vehicles	85576	313417
Rent	128960	122820
Insurance	79741	89178
Carriage outwards	234748	117800
Discount allowed	6484179	124320
Software development exp	0	32000653
Bad Debts Written Off	11738117	0
Other Expenses	8079825	6579531
Total	30227636	45504078

Bhagyanagar Wood Plast Limited

SCHEDULE 19: 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. In respect of assets disposed off during the year the net result being profit, is transferred to P & L account.
- 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 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
(b) Segment expenses :		
(i) Administrative and software Development expenses	52,463	3,20,00,853
(ii) Depreciation	-	2,37,606
	<u>52,463</u>	<u>3,22,38,259</u>
(c) Segment results profit / (loss) from software division(a-b)	(52,436)	(9,20,043)
(d) The software division assets has been disposed off during the year		

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.

Bhagyanagar Wood Plast Limited

Particulars	Current Year	Previous year
4. a. Remuneration to Auditors		
As Auditors (in Rupees)	1,05,000	1,05,000
Towards Audit and other matters (in Rupees)	45,000	45,000
Total	1,50,000	1,50,000
b. Remuneration to Directors		
Sri N. Kishan Reddy, Managing Director (in Rupees)	NIL	1,00,000
Sri N. Srinath Reddy, Whole Time Director (in Rupees)	NIL	1,00,000
5. Foreign Exchange Earnings and Outgo.		
OUT GO in US \$	15,617	-
Equivalent to Rupees	7,54,145	-
EARNINGS (in US \$)	-	25,000
Equivalent to Rupees	-	11,75,867
6. Quantitative particulars		
A. Installed capacities (TPA)		
P.V.C. Pipes and Profiles Combined	-	4,500
B. Production (Kgs)		
P.V.C Pipes	6,79,965	8,38,804
H.D.P.E. Pipes	22,384	67,809
C. Sales (Kgs)		
P.V.C. Pipes	6,79,965	8,41,244
H.D.P.E. Pipes	22,384	61,113
D. Closing Stocks (Kgs)		
P.V.C. Pipes	NIL	44,120
H.D.P.E. Pipes	NIL	7,081

Bhagyanagar Wood Plast Limited

Particulars	Current Year	Previous year
E Value for Opening Stocks, Sales and Closing Stocks (Rupees)		
Opening Stocks		
P.V.C. Pipes	27,56,820	31,42,408
H.D.P.E. Pipes	6,42,970	61,786
Sales		
P.V.C. Pipes	4,48,81,200	5,35,76,529
H.D.P.E. Pipes	2,20,219	65,75,154
Closing Stocks		
P.V.C. Pipes	NIL	27,56,820
H.D.P.E. Pipes	NIL	6,42,970
F Consumption of Raw Materials		
Quantity In Kgs.		
P.V.C Resin	4,68,796	6,71,550
Value (Rupees)		
P.V.C Resin	3,17,52,224	3,88,64,992
Other Chemicals and Consumables	47,08,538	47,08,538

7. 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.

8. 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.8.56 Lacs	NIL	NIL
Loan given to Sri Venkateswara pipes Limited.	250 Lacs	250 Lacs	NIL

The company holds 3,00,000 equity shares of Rs.10/- each fully paid up in Sri Venkateswara Pipes Limited, out of paid up capital of 4,44,06,640 (44,40,664 shares of Rs.10/- each)

Bhagyanagar Wood Plast Limited

9. BALANCE SHEET EXTRACT OF THE COMPANY'S GENERAL PROFILE			
I. Registration Details			
Registration Number	: 9157	State code	01
Balance Sheet Date	: 31-03-2010		
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	: 13811
Secured loans	: 712	Unsecured Loans & Deferred taxation	: 388
Applications of funds			
Net Fixed Assets	: 7849	Investments	: 5960
Net Current Assets	: 57635	Miscellaneous Expenditure & Deferred taxation	: —
Accumulated Losses	: —		
IV. Performance of the Company (Amount in Rs. Thousands)			
Turnover	: 49833.6	Total expenditure	: 71574
(+) Profit / (-) Loss Before Tax	: -11368	(+) Profit / (-) Loss After Deferred Tax	: -7131
Earning per share (Rs)	: -12.61	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			Investments
Product description			Software division

10. 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, May 31, 2010.

N. Srinath Reddy
Whole Time Director

N.Kishan Reddy
Managing Director

Bhagyanagar Wood Plast Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Current Year	Previous Year
Cash flow from operating Activities		
Profit before Interest, Tax and after prior period adjustments	(108.13)	17.14
Other Income considered separately	(20.30)	(23.20)
Depreciation	2.11	26.39
Profit on sale of Fixed Assets on sale of Asset	(123.67)	1.65
Decrease in Inventories	77.81	(0.26)
Decrease in Receivables	195.48	6.93
Decrease in C/A	25.15	7.19
Increase in Loans & advances	(134.04)	0
Decrease in Current Liabilities	(85.15)	(45.59)
Income Tax Paid	0	(9.33)
Cash Flow from Operating Activities (A)	(180.74)	-19.11
Cash flow from Investing Activities		
Sale of Fixed Assets	316.88	5.11
Purchase of Fixed Assets	0.06	0
Other Income	20.30	9.24
Cash Flow from Investing Activities (B)	337.24	14.38
Cash flow from Financing Activities		
Secured loans	(66.53)	(2.90)
Unsecured loans	(63.23)	(1.75)
Interest paid	(5.55)	(15.89)
Cash Flows from Financing Activities (C)	(125.30)	(20.45)
Net Increase or Decrease in Cash Equivalents A+B+C	31.20	(25.29)
Cash or Cash equivalents at the beginning of the year (April 1, 2009)	35.12	50.41
Cash or Cash equivalents at the end of the year (March 31, 2010)	66.32	35.12
Increase / Decrease	31.20	(25.29)

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
Hyderabad, May 31, 2010.

N. Kishan Reddy
Managing Director

N. Srinath Reddy
Whole time Director