

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.

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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	Commission	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

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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.

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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.

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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

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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.

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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.