



# BPL 50 YEARS

*Celebrating 50 years*

BPL Limited

# Annual Report 2012 - 2013



# Corporate Information

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## BOARD OF DIRECTORS

Mr. Ajit G Nambiar, *Chairman & Managing Director*

Mrs. Anju Chandrasekhar

Mr. K S Prasad

Capt. S Prabhala

Mr. K Jayabharath Reddy

Mr. Suraj L Mehta

Mr. Subhash Bathe

## REGISTERED OFFICE

BPL Works, Palakkad 678007, Kerala

## CORPORATE OFFICE

11th KM, Arakere, Bannerghatta Road,  
Bangalore 560 076

## MANUFACTURING FACILITIES

BPL Works, Palakkad 678 007, Kerala  
Doddaballapur 561 203, Bangalore District

## AUDITORS

M/s. T Velu Pillai & Co.,

Chartered Accountants, Bangalore

## BOARD COMMITTEES

### Audit Committee

Mr. K Jayabharath Reddy, *Chairman*

Mr. Subhash Bathe, *Vice-Chairman*

Mr. Suraj L Mehta

### Compensation Committee

Capt. S Prabhala, *Chairman*

Mrs. Anju Chandrasekhar

Mr. K Jayabharath Reddy

Mr. Subhash Bathe

### Investors' Relations Committee

Mr. K S Prasad, *Chairman*

Mr. Ajit G Nambiar

Mrs. Anju Chandrasekhar

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# Notice of Annual General Meeting

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 49th Annual General Meeting of BPL Limited, will be held on **Monday, the 30<sup>th</sup> September, 2013** at **10.00 A.M.** at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala, to transact the following businesses:

### ORDINARY BUSINESS

- 1) To consider and adopt the Profit and Loss Account (Statement of Profit & Loss) for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as at that date together with Report of Directors and the Auditors thereon.
- 2) To declare Dividend on Preference Shares
- 3) To appoint a Director in place of Mr. K Jayabharath Reddy who retires by rotation, and being eligible, offers himself for re-election.
- 4) To appoint a Director in place of Mr. Suraj L Mehta who retires by rotation, and being eligible, offers himself for re-election.
- 5) To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

*RESOLVED THAT subject to the provisions of Sections 198, 309 and 269 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 and pursuant to the Articles of Association of the Company and further, subject to the necessary approvals, consent of the Company be and is hereby accorded for re-appointment of Mr. Ajit G Nambiar, as the Chairman & Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2013, on the terms and conditions including remuneration as set out below:*

a. Salary

₹ 4,00,000/- per month

b. Perquisites

1. The Chairman & Managing Director shall be entitled to perquisites like rent free accommodation (including maintenance fees) or house rent allowance in lieu thereof, Special Allowance, Car Allowance, Performance Incentive, Re-imbursment of Water, Gas and Electricity Bills at residence, medical expenses for self and his family including dependents, and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to a ceiling of ₹ 28,80,000/- per annum and the applicable premia payable on the Company's Group policies towards mediclaim and personal accident insurance.

#### Explanation

*"Family" here means the spouse, dependent children and dependent parents of the Chairman & Managing Director.*

*For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.*

*Use of Company's Car for official purposes and Telephone at residence and Cell Phone (including payment for local calls and long distance official calls) shall not be included in the*

*computation of perquisites for the purpose of calculating the said ceiling.*

*Apart from the re-imbursment of ordinary medical expenses, in case of hospitalisation of the Chairman & Managing Director, the Board of Directors shall have the discretion to re-imburs the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of ₹ 28,80,000/- in any financial year.*

2. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
3. Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income Tax Act.
4. The Chairman & Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

*RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do or cause to be done, all such acts, deeds and things as they may think necessary or expedient for the purpose of giving effect to this resolution and to settle all questions and matters arising out of and incidental to the proposed re-appointment.*

- 7) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

*RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered by inserting a new Article No. 67A after the existing Article No. 67 of the Articles of Association of Company.*

#### Article 67A:

*Subject to the provisions of the Companies Act, 1956 or including any amendment thereto or re-enactment thereof and notwithstanding anything contrary contained in the Articles of Association, the Board of Directors shall have the power to appoint the same individual to hold and occupy either the positions of Chairman and Managing Director or Chief Executive Officer or such equivalent managerial position thereof at the same time, in the company.*

By order of the Board

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

#### Registered Office:

BPL Works, Palakkad-678 007, Kerala.

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES, ONCE ISSUED WILL HOLD GOOD FOR ANY ADJOURNMENT OF THIS ANNUAL GENERAL MEETING.
2. Members / Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.

# Annexure to Notice

3. The Register of Members and Share Transfer Books of the Company will be closed from 23<sup>rd</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).
4. Shareholders intending to require information about accounts, to be explained at the Meeting, are requested to inform the Company at least a week in advance of their intention, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
5. Pursuant to the provisions of the listing agreement, additional information on Directors seeking re-election at the Annual General Meeting is appended to this Notice.
6. Dividend of ₹ 0.001 per share has been recommended on the Preference Shares as per the terms of the issue covered by the approved Scheme of Arrangement.
7. The Ministry of Corporate Affairs (vide circular No.17/2011 and 18/2011 dated April, 21 and April 29, 2011 respectively) has undertaken a Green Initiative in corporate Governance and allowed companies to send documents to its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail IDs as follows:
  - a) If you are holding shares in demat form, register/update your e-mail ID with the depository participant with whom you are maintaining your demat account.
  - b) If you are holding shares in physical form, register/update your e-mail ID with us or with our Registrar and Transfer Agent i.e. Karvy Computershare Private Limited, Hyderabad.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom demat accounts are maintained. Members holding shares in physical form can submit their PAN details either to the company or to company's Registrar & Share Transfer Agent Viz. Karvy Computershare Private Limited, Hyderabad.
9. Shareholders are requested to address all their correspondence including on matters related to Share Transfers, Annual Report etc., to the Investors' Service Cell, at 11th KM, Arakere, Bannerghatta Road, Bangalore 560 076.

By order of the Board

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
*Chairman & Managing Director*

*Registered Office:*  
BPL Works, Palakkad-678 007, Kerala.

## **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice.

### **ITEM NO. 6**

Mr. Ajit G Nambiar has been the Managing Director of the Company since 1993 and also became its Chairman during 1999. The term of office of Mr. Ajit G Nambiar, as Managing Director of the Company has expired on 31st March, 2013.

The Board of Directors of the Company at its meeting held on 8<sup>th</sup> February, 2013 has, subject to the approval of Members and the Central Government, re-appointed Mr. Ajit G Nambiar, Managing Director, for a further period of 3 years from 1<sup>st</sup> April, 2013, on the remuneration determined by the Compensation Committee (formerly Remuneration Committee) of the Board.

The present proposal is to seek the members' approval for the re-appointment of and remuneration payable to Mr. Ajit G Nambiar as the Chairman and Managing Director, in terms of Sections 198, 309 and 269 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956.

Mr. Ajit G Nambiar upon re-appointment as Managing Director shall continue to hold office of the Chairman and Managing Director. The Directors recommend the resolution for the approval of the Shareholders.

The Directors recommend the passing of Special Resolution as set out in item no.6 of the accompanying notice. Except Mr. Ajit G Nambiar and Mrs. Anju Chandrasekhar, no other Director of the Company is in any way concerned or interested in the Resolution.

### **ITEM NO. 7**

Proviso to clause 203 (1) of the new Companies Bill 2012 provides that unless the Articles of a Company provide otherwise, an individual shall not be appointed or reappointed as the chairperson of the company, in pursuance of the articles of the company, as well as the managing director or Chief Executive Officer of the company at the same time after the date of commencement of the new Act.

The proposed new Companies Bill, 2012, which has been passed by the Loka Sabha is expected to legislation soon. The Company currently has a same individual i.e., Mr. Ajit G Nambiar holding the position of Chairman as well as the Managing Director of the Company. To conform to the provisions of the proposed new requirement, the company seeks shareholders' approval to amend the articles of association of the company by inserting a new Article 67A after the existing Article 67 of the Articles of Association of the Company.

The Directors recommend the resolutions for the approval of the Shareholders. Except Mr. Ajit G Nambiar and Mrs. Anju Chandrasekhar, Directors, none of the other directors of the Company is, in any way, concerned or interested in the Resolution.

Copies of the existing and proposed Articles of Association of the Company may be inspected by the Shareholders during the Office hours at the registered office of the Company.

## **INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

### **MR. AJIT G NAMBIAR**

Mr. Ajit G Nambiar, 50, is the Chairman & Managing Director of BPL Limited. After obtaining his Degree in Electrical Engineering from Boston University, USA, Mr. Nambiar started his career in Electronic Research Private Limited (ERPL) in 1984 and was appointed as its Managing Director in 1986 (ERPL is a company in the BPL Group engaged in the manufacture and marketing of critical components for the Consumer Electronic Industry).

Mr. Ajit G Nambiar took over as the Managing Director of BPL Limited in 1993 and due to his untiring efforts, the Company made rapid strides on all fronts. He took over as the Chairman of the Company in the year 1999. His vision has resulted in the Company becoming a truly diversified entity, with its foray into soft energy, computer peripherals and other businesses. He is instrumental in setting up the following manufacturing facilities:



# Annexure to Notice

- Colour Television Manufacturing Facility at Old Madras Road, Bangalore.
- Alkaline Battery Manufacturing Facility in Dobbespeth, near Bangalore.
- Dry Cell Manufacturing Facility by BPL Soft Energy Systems Limited (which was a subsidiary of BPL Limited) at Maddur, near Bangalore.

Mr. Ajit G Nambiar is currently on the Board of several other Companies, in addition to BPL Limited.

Names of the companies in which Mr. Ajit G Nambiar is a Director:

1. BPL Techno Vision Private Limited 2. Bharat Energy Ventures Limited 3. BPL Telecom Private Limited 4. Electro Investment Private Limited 5. Nambiar International Investments Private Limited 6. PanIndia Telecommunications Network Pvt Ltd 7. Phoenix Holdings Pvt Ltd 8. Stallion Computers Pvt Ltd 9. E R Computers Pvt Ltd 10. Electronic Research Pvt Ltd 11. Merino Finance Private Limited 12. BPL Power Projects (AP) Private Limited 13. Zyfax systems (Bangalore) Pvt Ltd 14. NI Micro Technologies Private Limited 15. Anan Properties & Finance Co., Pvt Ltd 16. Dynamic Electronics Private Limited 17. Asian Age (India) Private Limited 18. Panasaonic Appliances India Company Limited and 19. BPL FTAEnergies Private Limited.

## MR. K JAYABHARATH REDDY

Mr. K Jayabharath Reddy, 76, who holds a Masters in Economics and Masters in Statistics, is a retired IAS Officer, and has held important positions in the State and Central Governments. He was the Chief Secretary to the Government of Andhra Pradesh, Secretary to Government of India in the Ministry of Urban Development and Secretary in the Finance Ministry. He has headed the Departments of Banking, Insurance and Administration of the Revenue Department in the Finance Ministry.

Mr. Reddy also headed the Secretariat for Industrial Approvals (SIA) in the Industry Ministry. He has been associated with State Industrial and Financial Developmental Organisations as well as financial institutions like the NABARD, IDBI, ICICI, SBI, EXIM Bank, National Housing Bank in executive as well as non-executive capacities.

Companies in which Mr. K Jayabharath Reddy, is a Director:

1. Facor Alloys Limited 2. BPL Power Projects (AP) Private Limited 3. TAJ-GVK Hotels & resorts Limited 4. NCL Alltek & Seccolor Limited 5. JCT Electronics Limited 6. Viceroy Hotels Limited 7. Indus Medicare Limited

Names of the Company in which Mr. K Jayabharath Reddy is a Chairman / Member of Committee/s:

Sl.No.	Name of the Company	Nature of position
A.	Audit Committee	
	Facor Alloys Limited	Chairman
	JCT Electronics Limited	Member
	TAJ-GVK Hotels & resorts Limited	Member

Mr. K Jayabharath Reddy is a Chairman of the Audit and Finance Committees and Member of Nomination and Compensation Committees of BPL Limited.

## MR. SURAJ L MEHTA

Mr. Suraj L Mehta, 69, is a Graduate in Economics (Honours). Mr. Mehta has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. He was the Chief Executive Officer of Dresdner Bank AG in India & was the Geographic Head

for the group's four businesses which included Investment Banking, Securities Broking and Software Development. He has also worked as the Chief Executive Officer of NABIL Bank Limited, the leading private sector bank in Nepal. Mr. Mehta has worked in almost every field of commercial banking & has to his credit major achievements in diverse areas including credit quality, treasury management, organization structure & business strategy.

Mr. Mehta has nearly four decades of rich and varied experience in the field of banking in India & abroad.

Companies in which Mr. Suraj L Mehta is a Director:

1. Bajaj Allianz Life Insurance Company Limited 2. Bajaj Allianz General Insurance Company Limited

Mr. Suraj L Mehta is a member of the Audit and Finance Committees of BPL Limited.

## ATTENDANCE RECORD OF DIRECTORS WHO SEEK APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	No. of Board Meetings held during 2012-2013	No. of Board Meeting attended	Last AGM attendance (Yes/No.)	No. of Shares held
Mr. Ajit G Nambiar	4	4	Yes	80,000
Mr. K Jayabharath Reddy	4	4	No	9,413
Mr. Suraj L Mehta	4	2	Yes	9,413

By order of the Board

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

Information as required to be furnished under sub paragraph (iv) of Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, in relation to Item No. 6 of the Notice:

### 1. General Information :

Nature of industry :

- BPL Limited (BPL) was incorporated in 1963 as a Private Limited Company for the manufacture of indicating instruments and Electronic Test and Measuring Instruments in technical and financial collaboration with BPL Instruments Limited, U K. The Company started manufacturing Hermetically Sealed Panel Instruments at its factory in Palakkad (Kerala) for defence use. Later, it started the manufacture of Electronic Test and Measuring Instruments and Electro Medical Instruments - Electrocardiographs, Patient Monitoring Systems, DC Defibrillators and Central Monitoring Systems. During the year 1996, the Company had embarked on the manufacture of eco-friendly Alkaline Batteries.
- The Company is one of the leading manufacturers of Medical Electronic Products in India.
- The products of the Company are marketed under the brand name "BPL" and the same has been registered under Copyrights Act, 1956 as well as under the Trade and Merchandise Marks Act, 1958.
- During 2005, the company transferred its CTV business to a 50:50 Joint Venture Company Viz. SANYO BPL Private Limited.

# Annexure to Notice

- BPL has its manufacturing facilities at BPL Works, Palakkad-678 007, Kerala and at Doddaballapur 561 203, Bangalore District, Karnataka.

Financial performance (for the period ended 31<sup>st</sup> March, 2013)

(₹ in Crores)

Financial Parameters :	2012-13
Net Sales and other Income	134.57
Exports	0.51
Net Profit / (Loss)	(10.29)
Amount of dividend on equity shares Paid	NIL

There are no foreign collaborators or investments.

## 2. Information about the appointee

Remuneration proposed to be paid to Mr. Ajit G Nambiar for the period from 1<sup>st</sup> April, 2013 till 31<sup>st</sup> March, 2016 is as set out in the resolution at Item No.6 of the accompanying notice.

Details of remuneration paid to Mr. Ajit G Nambiar, Chairman and Managing Director for the financial year 2012-13 are as given below:

(₹)

Particulars	2012-13
Salary-Basic	48,00,000
Perquisites	24,00,000
Company's Contribution to : Provident /Superannuation/Gratuity Funds	10,56,000
Total remuneration per annum	82,56,000

### Comparative Remuneration profile:

The Remuneration proposed to be paid to Mr. Ajit G Nambiar, as recommended by the Compensation Committee and has been approved by the Board considering the position, industry standards, past remuneration, responsibilities. The remuneration proposed is on par with what most listed Companies are paying.

### Pecuniary relationship:

Mr. Ajit G Nambiar, Chairman & Managing Director is one of the promoters

of the company and holds equity shares in the company. He is related to a director who also holds shares in the company.

## 3. Other Information

- Reasons of loss or inadequate profits: The Company's operating businesses have been under severe pressure due to working capital constraints and have not been able to perform to their optimal level. Consequently, net sales and other income of the Company has significantly reduced, resulting in meager profit for the year 2012-13. However, the company may not be having adequate profit or may incur loss in future years.
- Steps taken or proposed to be taken for improvement: The Company is continuing its efforts to address the working capital requirement and is hopeful of arranging the required funds during the current financial year. With infusion of the additional funds and completion of restructuring exercise, coupled with certain new initiatives, the Company is hopeful of making optimum utilization of all resources available at its disposal.
- Expected increase in productivity and its profits in measurable terms: The Company is continuing its efforts to address the issues of increasing its productivity levels and there by optimizing its profits, despite the constraint of working capital requirement and is hopeful of posting better results in the forthcoming years.

In view of changing market scenario, the liberalization policy of the government and frequent modifications & upgradations in the technologies, the company at present, is not in a position to state the expected increase in productivity and its profits in measurable terms.

## 4. Disclosures

Necessary disclosures have been made with regard to remuneration details of the managerial personnel, elsewhere in the Annual Report.

By order of the Board

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

Registered Office:

BPL Works, Palakkad-678 007, Kerala.

# Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the Forty Ninth Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2013. The financial highlights on the operations of the Company are as follows:

## ● FINANCIAL HIGHLIGHTS

(₹ in crores)

Particulars	Year ended	
	31.03.2013	31.03.2012
Net Sales and other income	134.58	153.10
Profit before Interest, Depreciation and Tax	34.11	65.54
Less: Interest	3.19	3.66
Depreciation	1.67	7.85
Provision for doubtful advances/ debts	-	0.28
Extra-ordinary Expenditure (net)	-	2.01
Extra-ordinary Income (net)	0.38	-
Profit / (Loss) before Tax	29.63	51.74
Deferred Tax Asset	(39.92)	8.95
Profit / (Loss) after Tax	(10.29)	60.69

## ● BPL CELEBRATING 50 YEARS

BPL turned 50 years in April 2013. Over this half century, your company dedicated itself to making a positive impact on all those with whom it has come in contact with. This includes, its teams, families, communities and the customers it serves.

In these 50 years, BPL has produced many products from diagnostic medical equipment to consumer electronics, which millions of Indians have enjoyed and delighted in every day and continue to do so. Your brand and products have touched the lives of more than 20 million Indians.

Since its inception in 1963, BPL has always lived by a single belief, "having our customers at the heart of everything we do. We need to understand not just their needs, but what makes a difference to their lives". This belief continues to be its guiding principle.

This has led to an enabling vision for your company - BPL is committed to making its customers lives happier, healthier and more productive. Your company will strive to preserve this ideology, because this is the true measure of success.

### ● Honouring the past

None of BPL's current or future achievements could have occurred without the solid foundation that was set by Mr. T P G Nambiar, who built your company on the principle of providing your customers with quality products and services that meet, or exceed, expectations for performance and reliability at competitive cost. The company has held true to these values by constantly improving products, anticipating

the needs of the markets and above all, by supporting its customers. Your company is determined to build upon this heritage as it aspires to touch millions of lives each year with its healthcare and innovative consumer lifestyle products.

BPL is extremely proud to be able to celebrate its 50 years of business. A hearty "Thank you" goes to all of our shareholders, customers and employees, past and present, who have trusted BPL and have helped this to happen.

### ● Celebrating the present

For the past 50 years, BPL's product innovations have improved the quality of life for millions, creating a strong and trusted BPL brand all over India. However, with lack of consistent growth in recent years and lean, agile new competitors from overseas winning over customers, it was clear that your company urgently needed to transform in order to improve its performance and competitiveness.

Towards this, BPL Limited is now debt-free. Your company is now in the process of taking the first steps in its journey to unlock its full potential and seed the ground for its future success in the medical devices business. The process of inducting high quality PE / strategic investors to BPL Medical Technologies Pvt. Ltd. has just been completed. This will help make BPL Medical Technologies Pvt. Ltd., a stronger company capable of bringing cutting edge medical devices to market for many years to come.

## ● BUSINESS OVERVIEW

Despite a challenging economic environment and continuing depreciation of the rupee, your Company ended with a total

# Directors' Report and Management Discussion & Analysis

income of ₹ 134.58 Crores for the year 2012-13 compared to ₹ 153.10 Crores for the previous year. The gross profit earned for the year is ₹ 34.11 Crores. After providing ₹ 1.67 Crores and ₹ 3.19 Crores towards depreciation and finance charges respectively, your Company has earned a profit (before provisions & taxation) of ₹ 29.25 Crores for the year 2012-13. The operations of the Company continued to be affected due to working capital constraints and lack of bank funding.

## ● Dividend

Your Directors regret their inability to recommend any dividend on equity shares of the Company since your Company has accumulated losses on the Balance Sheet and need to fund the business activities.

However, your Board has approved payment of dividend on preference shares at ₹ 0.001 per share of ₹ 100/- each, amounting to ₹ 16,959/- as per the terms of the issue covered by the approved Scheme of Arrangement.

## ● MANAGEMENT DISCUSSION & ANALYSIS

### 1. The Healthcare Industry:

Increasing demand for specialized and quality healthcare services and facilities is fuelling the growth of the healthcare market in the country. However, there is a huge challenge in providing quality and affordable healthcare, considering the geographical spread and the huge population of the country.

Accounting for 5.6% of India's 'Gross Domestic Product' (GDP), the healthcare sector is one of the most significant drivers of economic and social growth in the country. The Indian Health Care sector is at an inflection point as substantial investments have been planned on healthcare delivery.

The medical devices market was pegged at ₹ 19,807 Crores in 2012. The market is likely to grow by 15% annually, for the next five years to an estimated ₹ 34,525 Crores in 2015. Your company serves a market of ₹ 750 Crores, with major revenues coming from General Practitioners, Nursing homes, small and mid-sized hospitals. The two major product areas that your Company caters to are :

- a) Patient monitoring : This is vital to care in operation theatres and emergency rooms, intensive care and critical care units. The market is pegged at ₹ 278 Crores with 18-20% growth and seeing a shift from hardware approach to solutions approach. Your company brings in the advantage of local manufacturing for the entry level range.
- b) ECG equipment : This has become an important part of the diagnosis process as healthcare moves towards

preventive medicine in the ever increasing field of cardiovascular diseases. The cardiology segment is growing at over 15% and the ECG and defibrillator markets are pegged at over ₹ 200 Crores. Your company is the leader in this segment with strong player in the value segments. Your company is strategically well positioned with a strong name in the Cardio & Patient Monitoring System segments coupled with strong integrated sales and service network providing a robust platform for growth.

### 2. The Influencers:

The factors that influence the growth in this sector are:

- 1) Increasing disposable incomes
- 2) Growing lifestyle-related health issues
- 3) Increasing population & Changing demographics
- 4) Improving health insurance penetration
- 5) Increased Government and private spending plan on healthcare infrastructure
- 6) Increasing attractiveness of India as a low-cost R&D destination

Currently, Your Company addresses the areas of Cardio-pulmonary, Patient Monitoring, Imaging, Women and Child Care with commonly used devices such as ECG, Defibrillator, Cardiac Analyzer, Stress Test system, Patient monitor, Fetal & Maternal monitor, Infusion pump, Oxygen Concentrator, Ultrasound and X-Ray.

### 3. The Detractors:

The challenges curtailing the growth in the sector are:

- 1) Low availability of qualified practitioners in rural areas
- 2) Dearth of avenues for easy funding of healthcare projects
- 3) Availability of hospital beds lagging far behind the global average
- 4) Lack of requisite urban healthcare infrastructure to bridge the growing demand-supply gap
- 5) Entry of MNC's and more players into the value segment of devices

### 4. Government initiatives:

The Government of India is working to meet several key strategic goals like, health as a right for all citizens, accessible, affordable and accountable quality health services, convergence and development of public health systems and services that are responsive to the health needs and aspirations of the people.



# Directors' Report and Management Discussion & Analysis

“Health for all” remains a priority in the Union Budget 2013-14 and to reiterate this commitment, a total of ₹ 37,330 Crores has been infused for Health & Family Welfare. In the union budget 2013-14, National Health Mission (NHM), inclusive of national flagship programme “National Rural Health Mission (NRHM)” and “National Urban Health Mission” have been allocated ₹ 21,229 Crores, a 24% increase over the allocation to NRHM in 2012-2013 budget.

## 5. Opportunities

The presence of a pan-India distribution channel, an integrated product development and low-cost manufacturing capability and presence in the area of necessary-and-affordable medical devices provides your company the opportunity for further product extension. The products launched by your company recently in its core areas include Value Patient Monitors (Excello Prime & NT) and an in-house developed entry level, multi-parameter patient Monitor (Elixo).

While plans are underway to play deeper in the critical care areas by launching Anesthesia and Cautery devices in the near future, your company will expand its in-house product portfolio to include Touch-Screen patient monitors and multi-channel ECG.

Your company institutionalized the Service CRM package to track & monitor Service delivery. With this effort, dealers, regional service teams, service workshops and factory are connected on-line. This implementation has resulted in marked improvement in service delivery and services revenues over previous years.

## 6. Threats

In the event, we are unable to develop and commercialize new products, it will adversely affect our ability to compete effectively. Engineering initiatives and R&D have become increasingly important in order to mitigate the threat of obsolescence, pricing and imports. The development of disruptive technologies may affect the prospects of our current line of products and in the event we are unable to adapt to these new developments, it may adversely affect our growth. Multi-national companies have expanded their presence from the premium segment of devices into the value segment. Entry of new players in the traded ECG and Patient monitoring market has increased the competition in these segments.

## 7. Segment Wise Performance:

Your company has demonstrated revenue growth way above market growth rates, in every segment of its core product and customer service business. The highest growth rates were seen in Multi-channel ECG, Defibrillator and Services.

On the marketing front, your company participated in over 30 customer events during the year, improved advertising in print media & the web, resulting in a 20% increase in web traffic and market visibility.

## 8. Outlook

BPL's ambitions are to nearly double both its addressable market and its served market. Your Company has been able to generate funds and demonstrate promising growth rates even during stressed financial conditions. Though the Indian Rupee - U.S Dollar movements may still pose strain on imports, the company is expecting to demonstrate another year of good growth by managing costs effectively and improving Cash cycles.

During the year, your Company has successfully completed the surveillance audit and is re-certified for ISO13485:2003 and ISO9001:2008.

All in-house developed products will be covered under CE certifications, making them conform to international quality standards and export-ready. Efforts would be made to develop new technologies and to innovate products for affordable healthcare in the area of mobile health.

## 9. Risks and Concerns:

Though risks are integral to every business, our endeavor is to maximize returns by ensuring the right product-mix, price positioning and cost points.

The risk management system put in place by your company is reviewed by the Board of Directors periodically. Some of the external risks that the company is subject to are Exchange-rate fluctuations, technological obsolescence, legal and macro economic conditions.

### ● PRINTED CIRCUITS BOARD (PCB) BUSINESS

The global Printed Circuit Board (PCB) market to grow at CAGR of 7-8 % over the period 2012-2016. One of the key factors contributing to this market growth is the increasing adoption of Smartphones and Tablet PCs. The global PCB market has also been witnessing the increasing demand for miniaturized PCBs.

The Indian PCB Industry's product range consists of single sided, double sided & multi layer PCBs. Your company is engaged mainly in single sided PCBs for which the major market is from Lighting (CFL and LED), consumer electronics, basic telecom equipments, low-end power conversion and the auto electronics industry. There has been steady growth in the single sided PCB industry during 2012-13 due to increased demand in CFL lighting and the automotive segment.

As the company's PCB unit is manufacturing only single sided PCBs, the growth is expected to increase by another 5% to

# Directors' Report and Management Discussion & Analysis

10% during 2013-14. To maintain the existing performance and to grow further, your company has decided to replace a few of the existing machineries on priority basis in the first half of the current fiscal. The capital budget for these activities is estimated at around ₹ 120 Lakhs.

In spite of fluctuations in USD and abnormal price fluctuations in petroleum products, your company was able to sustain & achieve an increase in gross sales registering almost 51% growth when compared to the previous year's gross sales.

## ● INTERNAL CONTROL AND THEIR ADEQUACY

Your Company has adequate internal control systems and checks, which ensure that all assets are safeguarded and that all transactions are recorded and reported properly.

The Internal control systems are supplemented by extensive programme of internal audit conducted by external qualified Chartered Accountants. The Company has also put in place effective Budgetary Systems.

## ● FINANCIAL PERFORMANCE AND ANALYSIS

### ● Share Capital

During the year, your company issued 2,14,637 new equity shares to the eligible employees and directors who have exercised the vested options under Employees Stock Option Scheme - BPL ESOS -2009. Accordingly, the paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2013 stood at ₹ 48.88 Crores comprising 4,88,84,818 equity shares of ₹ 10/- each, fully paid up. The paid up Preference Share Capital of the Company as on 31<sup>st</sup> March, 2013 was ₹ 169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of ₹100/- each.

### ● Reserves & Surplus

The Reserves of the Company after adjusting surplus during the year 2012-13 stood at ₹ 148.69 Crores.

### ● Borrowings

Total borrowings of the Company as on 31<sup>st</sup> March, 2013 stood at ₹ Nil.

### ● Capital Expenditure

The capital expenditure of the company for the financial year ended 31<sup>st</sup> March, 2013 was ₹ 0.80 Crores.

### ● Depreciation and Amortization

The details of Depreciation and Amortization have been provided in the notes to accounts. No significant changes were made in the depreciation policies.

### ● Corporate Tax

Since the company has not generated any taxable income for the period, no provision for taxes has been made in the books.

## ● HR PRACTICES AND MAJOR INITIATIVES

Development activities were initiated for senior employees. A specific reward and recognition program was initiated to encourage performance based achievement. Best performing employees were also felicitated and recognized for their efforts. A high emphasis on cost effectiveness was driven through travel desk, effective manpower utilization and emphasis on lean production.

## ● EMPLOYEES STOCK OPTION SCHEME

During the period under review, 2,14,637 options were exercised and accordingly equity shares were allotted to the option grantees under the employee stock option scheme called "BPL Limited- ESOS-2009".

The information to be disclosed as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is annexed to this Report.

## ● SAFETY, HEALTH AND ENVIRONMENT

Employee engagement activities like free health check up by noted health professionals covering Dental, ophthalmology, Cardiac and women and child care was undertaken. On account of Women's day health talk was organized. Various helpdesk were set up to facilitate employee welfare during the year.

Safety committees at all the Manufacturing units are functioning properly to ensure safe and healthy work environment.

Safety, Health and Environmental requirements as per rules have been adhered to at all units. Shop in-charge personnel and all security staff have been given sufficient on job training for the usage of safety equipments while in the shop floor. Necessary consent(s) have been obtained from pollution control Board with respect to water and Air. Fire Fighting equipments and water hydrant system are installed inside the factory for safety of all personnel and to meet any eventuality.

The Company had 392 employees as on March 31, 2013.

## ● DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the accounts for the year ended 31<sup>st</sup> March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and

# Directors' Report and Management Discussion & Analysis

estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the company for the year under review;

- iii. The Directors had taken proper and sufficient care 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 and
- iv. The Directors had prepared the accounts for the year ended 31<sup>st</sup> March, 2013, on a 'going concern' basis.

## ● PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

## ● SUBSIDIARY COMPANIES

Your Company has two subsidiary Companies viz. Bharat Energy Ventures Limited (BEVL) and BPL Power Projects (AP) Private Limited (BPPL).

Your Company has resolved to utilize the general exemption granted by The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/ 2011 dated 8<sup>th</sup> February, 2011 from attaching the Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors Report and other related documents of subsidiary companies and accordingly, the said documents of Bharat Energy Ventures Limited and BPL Power Projects (AP) Private Limited, subsidiaries of your Company, are not attached to the Balance Sheet of your Company. However, the requirements under the said Circular which your Company is required to meet, will be complied with.

Your company undertakes that the annual accounts and the related detailed information of your Company's subsidiaries i.e. Bharat Energy Ventures Limited (BEVL) and BPL Power Projects (AP) Private Limited (BPPL) will be made available to the shareholders of the Company and its subsidiaries, who seek such information at any point of time. The annual accounts of BEVL & BPPL will also be kept for inspection by any shareholders in the head office of your Company and of BEVL and BPPL.

## ● PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report. However, this report is being sent to all the shareholders of the Company excluding the aforesaid information and the said particulars are made available at

the registered office of the Company. The members interested in obtaining information under Section 217 (2A) may write to the Company Secretary at the registered office of the Company.

## ● CONSERVATION OF ENERGY

Though not a large-scale user of energy, your Company continues to explore several measures to conserve scarce resources and protect the environment. These include Water Recycling, Waste Recycling, Solder Fumes Control and Power Factor Improvement.

## ● TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Continuous efforts have been made for developing new technologies and to innovate products for affordable healthcare, with focus in the area of mobile health.

In the coming year, your Company will be delivering value enhancement in its existing range of in-house developed ECG, Defibrillator and Patient monitor. While the monochrome displays give way to color displays, advanced algorithms and current-technology vital sign modules are becoming part of our product line.

## ● RESEARCH AND DEVELOPMENT (R & D)

### ● Specific Areas in which Research & Development is carried out by the Company and Benefits Derived from R & D

The Health Management Solutions Business focuses on frontline care. While new OEM products to be introduced would include Color Doppler, Ventilator, Anesthesia Workstation & Cautery, your company will expand its in-house product portfolio to include Touch-Screen patient monitors, 3 channel ECG Device, and vital sign upgrades to existing defibrillator products.

### ● R&D Expenditure

The Capital and Revenue Expenditure on R&D during the year amounted to ₹ 2.96 lakhs & ₹ 156.21 lakhs respectively, which is 1.18% of the turnover.

## ● EXPORT INCENTIVES AND PLANS

During the year under review, your Company made a formal entry into neighboring countries in the healthcare market. The coming year should see more business from these signed up alliances.

## ● FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign exchange worth ₹ 48.94 Crores and foreign exchange earning was ₹ 0.05 Crores.

# Directors' Report and Management Discussion & Analysis

## ● DIRECTORS

Mr. K Jayabharath Reddy and Mr. Suraj L Mehta, Directors, retire by rotation, at the ensuing Annual General Meeting and are eligible for re-appointment.

## ● AUDITORS

M/s T Velu Pillai & Co., Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting and are eligible for re- appointment.

## ● COST AUDIT REPORT

The Cost Audit and Cost Compliance Reports submitted by Mr. Hari T Devadiga (Membership No. F 22200), Cost Accountant, for the financial year 2011-12 has been filed with Ministry of Corporate Affairs (MCA) in the prescribed xbrl format on 30<sup>th</sup> January, 2013 since the due date was extended by MCA till 31<sup>st</sup> January, 2013.

## ● MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have covered the Management Discussion & Analysis as required under the Corporate Governance requirements, as a part of the Directors' Report in appropriate places, to avoid duplication and overlapping of the contents of the said two reports.

## ● ACKNOWLEDGEMENT

The Board wishes to record its appreciation of the continued support and hard work of the employees at all levels. The Board also acknowledges continued co-operation received from Dealers, Suppliers, Customers, Banks, Government Departments, Financial Institutions and Shareholders.

For and on behalf of the  
Board of Directors

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

Registered Office: BPL Works, Palakkad-678 007, Kerala.

## ● ADDENDUM TO DIRECTORS' REPORT

### 1. Point No. 9 (a) of Annexure to the Auditors' Report

There have been instances of delays in remittance of undisputed statutory dues including Income Tax Deducted at Source, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax and Customs Duty with the appropriate authorities during the year.

*Due to cash flow constraints, there have been some delays; however, most have since been cleared.*

### 2. Point No. 9 (b) of Annexure to the Auditors' Report

Undisputed amounts payable in respect of Customs Duty amounting to ₹ 289.87 Lakhs, Provident Fund (PF) amounting to ₹ 0.18 lakhs and Gratuity liability of ₹ 469 Lakhs were outstanding as at 31<sup>st</sup> March, 2013, for a period of more than six months from the dates on which they became payable.

*Arrangements are being made to settle the Custom Duty and Gratuity dues. With regard to the payment of PF, PF authorities have mandated that remittances of EDLI shall be made by way of online e-payments. Though, the company has applied for e-payment facility, the PF authorities are yet to provide the same.*

### 3. Qualification on Consolidated Accounts under "basis for qualified opinion" in Auditors' Report on Consolidated Accounts

The Company has not consolidated the financial statements of subsidiary M/s BPL Power Projects (AP) Private Limited, it acquired during the year, because it has not yet been able to ascertain the fair values of assets and liabilities of the subsidiary as at the acquisition date. This acquisition is therefore accounted for as an investment. As per accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the holding company. The effects on the consolidated financial statements of the failure to consolidate have not been determined.

*BPL Power Projects (AP) Private Limited (BPPL) became the subsidiary of Bharat Energy Ventures Limited, a subsidiary of the company, thereby indirectly became subsidiary of the Company during the year. BPPL is yet to make financial closure and has not commenced its operation. It is felt non-consolidation of the accounts will not have any material impact on the profitability of the Company.*

For and on behalf of the  
Board of Directors

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

# Annexure to Directors' Report

Disclosure pursuant to Clause 12.1 of SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as on 31<sup>st</sup> March, 2013

The Company had introduced Employee Stock Option Scheme (viz. BPL Limited -ESOS -2009) for its employees. The details of options granted and exercised during 2012-13 and the disclosures are as under:

Sl.No.	Particulars	Remarks	
(a)	Options granted	5,17,739	
(b)	The pricing formula	The exercise price shall be a price, as may be determined by the Board / Compensation Committee, which shall not be less than the par value of the share and more than the market value of the share. The Options were granted at an exercise price of ₹.10/- each.	
(c)	Options vested	5,17,739	
(d)	Options exercised	2,14,637	
(e)	The total number of shares arising as a result of exercise of options	2,14,637	
(f)	Options lapsed	1,26,430	
(g)	Variation of terms of options	Nil	
(h)	Money realized by exercise of options	₹ 21,46,370/-	
(i)	Total number of options in force	Nil	
(j)	Employee wise details of options granted to i) senior managerial personnel ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Mr. Manoj U Nambiar, Mr. K Gopi and Mr.Shashi Nambiar Mr. S Hariharan, Mr.K Vishwanath, Mr.P D Sridhara and Mr.Shailesh Mudaliar  Nil	
(k)	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting standard (AS) 20 "Earnings Per share"	₹ (2.10) per share	
(l)	Difference, if any, between employee compensation cost (calculated using intrinsic value of stock options) and the employee compensation cost (calculated on the basis of fair value of the options). The impact of this difference on profits and the on EPS of the company.	Not Applicable	
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise prices Not Applicable	weighted-average fair values of options Not Applicable
(n)	Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: i) risk-free interest rate ii) expected life iii) expected volatility iv) expected dividends, and v) the price of the underlying share in market at the time of option grant	Not Applicable	

A certificate received by the Company from the Statutory Auditors of the Company - M/s T Velu Pillai & Co., Chartered Accountants, Bangalore to the effect that the Stock Option Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders, will be placed before the Annual General Meeting and a copy of the same shall be available for inspection by the Members at the Registered Office of the Company on all working days up to the date of the ensuing Annual General Meeting.

For and on behalf of the Board of Directors

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director



# Auditors' Report on Corporate Governance

The Members of BPL Limited,

We have examined the compliance of conditions of Corporate Governance by BPL Limited, for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, 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 knowledge and according to explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Relation Committee.

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

**For T Velupillai & Co.**  
Chartered Accountants  
(Firm Registration No.004592S)

**M S Ram (26687)**  
Partner

Bangalore  
30<sup>th</sup> May, 2013

## Report on Corporate Governance

### 1. Company's philosophy on Code of Governance

The Company has always been committed to the system by which the business is conducted on the principle of good corporate governance. The culture of good corporate governance is followed at all stages in conducting the business. The principles of corporate governance viz. integrity, equity, fairness, accountability and commitment to values are promoted continuously.

The Corporate Structure, business and financial reporting practices have been aligned to the principles of corporate governance. Continuous Endeavour is made to improve these practices on an ongoing basis.

### 2. Board of Directors

#### a) Composition, Category of Directors, Attendance at Meetings, Other Directorships & Chairmanship and Memberships of Board Committees

The Company has an Executive Chairman. Mr. Ajit G Nambiar is the Chairman and Managing Director and Independent Directors are more than half of the total strength of the Board. The Company has complied with the requirements of Clause 49 of the Listing Agreement on the composition of the Board.

Name of the Director	Category	Attendance			Other Directorships/ Committee Memberships*		
		No. of Board Meetings held during Directorship	No. of Board Meetings attended	Last AGM attended Yes/No	Directorship in other Companies	Committee Member	Committee Chairman
Mr. Ajit G Nambiar	Promoter - Executive	4	4	Yes	20	1	-
Mrs. Anju Chandrasekhar	Promoter - Non-executive	4	4	No	14	1	-
Mr. K S Prasad	Independent - Non-executive	4	3	No	-	-	1
Capt. S Prabhala	Independent - Non-executive	4	4	No	3	-	-
Mr. K Jayabharath Reddy	Independent - Non-executive	4	4	No	7	2	2
Mr. Suraj L Mehta	Independent - Non-executive	4	2	Yes	2	1	-
Mr. Subhash M Bathe	Independent - Non-executive	4	4	Yes	2	1	-

Mrs. Anju Chandrasekhar, Director, is related to Mr. Ajit G Nambiar, Chairman and Managing Director of the Company.

\*Membership / Chairmanship in Audit and Investors' Relations Committees are considered.

#### b) Number of Board Meetings held, dates on which held:

Four Board Meetings were held during 2012-13. The meetings were held on the following dates: 30<sup>th</sup> May 2012, 13<sup>th</sup> August, 2012, 17<sup>th</sup> October 2012 and 8<sup>th</sup> February, 2013.

# Report on Corporate Governance

## Audit Committee

In terms of the Listing Agreements executed by the Company with Stock Exchanges and pursuant to Section 292A of the Companies Act, 1956, the Company has constituted an Audit Committee which also complies with the requirements of Clause 49 of the Listing Agreement on the composition of the Audit Committee.

### a) Terms of reference

1. Oversight of the Company's financial reporting process.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e, transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
6. Discussion with internal auditors on any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors, before the audit commences, on the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice, secure attendance of outsiders with relevant expertise, if it considers necessary, invite such executives of the

Company, as it may consider appropriate and have full access to information contained in the records of the Company.

### b) Composition, name of members, chairperson and attendance at meetings

The Company constituted its Audit Committee of Directors during the year 1997-98.

Composition of the Committee as on 31<sup>st</sup> March, 2013

Name	Meetings	
	During the tenure	Attended
Mr. K Jayabharath Reddy, <i>Chairman</i>	4	4
Mr. Subhash Bathe, <i>Vice-Chairman</i>	4	4
Mr. Suraj L Mehta	4	2

### c) Number of Committee Meetings held, dates on which held

Four Meetings of the Committee were held during 2012-13. The meetings were held on the following dates: 30th May 2012, 13<sup>th</sup> August, 2012, 16<sup>th</sup> October, 2012 and 7<sup>th</sup> February, 2013.

## 4. Remuneration/Compensation Committee

The Remuneration Committee was renamed on 25th August, 2009, as Compensation Committee to enable it to function as the Compensation Committee also, as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and to administer, supervise and monitor the Employees Stock Option Scheme of the Company.

### a) Terms of Reference

To assist the Board of Directors to determine the remuneration packages for Executive Directors including pension rights and payment of compensation and to function as Compensation Committee in terms of the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

### b) Composition, name of members and chairperson

The composition of the Committee and the attendance at the Meetings of the Compensation Committee are as follows:

Name	Meetings	
	During the tenure	Attended
Capt. S. Prabhala <i>Chairman</i>	1	1
Mr. K Jayabharath Reddy	1	1
Mrs. Anju Chandrasekhar	1	1
Mr. Subhash Bathe	1	1

### c) Number of Committee Meetings held, dates on which held

One meeting of the committee was held during 2012-13. The meeting was held on 7<sup>th</sup> February 2013.

### d) Remuneration Policy

The Company considers its employees as one of the most valuable assets. Its remuneration policy is aimed at motivating the employees to put in their best efforts to achieve the growth plans of the Company. Its remuneration policy is transparent and rewards merit.

# Corporate Governance

d) Details of remuneration to all the directors for the financial year 2012 - 13

(₹)

Name	Designation	Salary (p.a.)	Perquisites (p.a.)	Contribution to PF, Super annuation and Gratuity Funds	Others-accident and Medi-claim insurance cover	Total	Service contracts	Notice Period	Severance Fee	Stock Options held	No. of Shares held
Mr. Ajit G Nambiar	Chairman & Managing Director	48,00,000	24,00,000	10,56,000	Yes	82,56,000	As per Company's Rules	As per Company's Rules	Not specified	-	80,000
Mrs. Anju Chandrasekhar	-	-	-	-	-	-	-	-	-	-	74,600
Mr. K S Prasad	-	-	-	-	-	-	-	-	-	-	3,38,813
Capt. S Prabhala	-	-	-	-	-	-	-	-	-	-	12,000
Mr. K Jayabharath Reddy	-	-	-	-	-	-	-	-	-	-	9,413
Mr. Suraj L Mehta	-	-	-	-	-	-	-	-	-	-	9,413
Mr. Subhash M Bathe	-	-	-	-	-	-	-	-	-	-	9,413

The Company has not paid any remuneration to the non-executive directors other than sitting fees of ₹ 5,000/-each, upto 17<sup>th</sup> October, 2012 and ₹ 10,000/- there after, paid for attending Board/Committee Meetings.

## 5. Investors' Relation Committee

The Committee held its Meeting on 8<sup>th</sup> February, 2013.

### a) Terms of Reference

- Approval of requests received for Transfer / Transmission/ Transposition of shares in the physical form
- Deletion of names
- Approval of requests received for issue of Duplicate Share Certificates
- Rejection of requests for share transfers, wherever applicable
- Review of share transfers and time taken, issues relating to Refund Account, Unpaid Dividend etc.,
- Establishment of Bank Accounts for dividend distribution
- Grant of authority to Company Secretary / Others to approve valid transfer documents in physical form
- Redressal of complaints received from Shareholders / Investors on non-receipt of shares after transfer in the physical form, complaints on non-receipt of Balance Sheets, Dividend, etc.,
- Approval of requests received for rematerialisation of shares.

### b) The Members of the Investors' Relation Committee are:

- i) Mr. K S Prasad, Chairman (Independent & Non-Executive)
- ii) Mrs. Anju Chandrasekhar (Non-Executive)
- iii) Mr. Ajit G Nambiar

### c) Name and designation of Compliance Officer

Mr. Srinath Maniyal M is the Company Secretary and Compliance Officer of the company.

### d) Number of Shareholder complaints received, not solved to the satisfaction of shareholders and number of pending share transfers

Shareholder complaints are given top priority by the Company and are replied promptly by the Investors' Service Cell and also by the Registrars and Share Transfer Agents of the Company. It is the policy of the Company that Investor Complaints are attended to within 48 hours of receipt. Barring certain cases pending in Courts/ Consumer Forums, relating to disputes over the title to shares, in which the Company has been made a party, the Company has attended to most of the investor grievances/ correspondences.

# Corporate Governance

A statement of the various complaints received and cleared by the Company during the year 2012-2013 is given below:

Nature of Complaint	2012-13		
	Received	Cleared	Pending
Non-receipt of share certificates duly transferred	-	-	-
Requests for endorsement of Share Certificates	-	-	-
Non-receipt of Dividend Warrant	1	1	-
Non-receipt of dividend warrant sent for re-validation	-	-	-
Requests for fully paid stickers	-	-	-
Letters from SEBI	-	-	-
Letters from Stock Exchanges	1	1	-
Letters from Ministry of Corporate Affairs	-	-	-
Non-receipt of Annual Reports	1	1	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>-</b>

## 6. General Body Meetings

### a) Location, time and Special Resolution for the last three AGMs

	2009-10	2010-11	2011-12
Date, Venue and Time	24 <sup>th</sup> September, 2010 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M	27 <sup>th</sup> July, 2011 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M	12 <sup>th</sup> September, 2012 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M
Special Resolutions passed	1) Approval of the Company to the Board of Directors to modify/amend the provisions of the Company's Stock Option Scheme- "BPL Limited-ESOS-2009"	Nil	1) Approval of the Company to the Board of Directors to acquire by way of subscription, purchase or otherwise invest in the equity and / or by redeemable cumulative preference share capital of BPL Telecom Pvt. Ltd., not exceeding an aggregate amount of ₹ 40 Crores (Rupees Forty Crores only) 2) Approval of the Company to the Board of Directors to acquire by way of subscription, purchase or otherwise invest in the equity share capital of the proposed Wholly Owned Subsidiary (WOS) of the company to be formed not exceeding an amount of ₹ 5 Lakhs (Rupees Five Lakhs only) 3) Approval of the Company to the Board of Directors to acquire by way of subscription, purchase or otherwise invest in the equity share capital of BPL Techno Vision Private Limited not exceeding an amount of ₹ 10 Crores (Rupees Ten Crores only)

b) *Special Resolutions put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedures for postal ballot:* Postal ballot was conducted to seek approval of shareholders for transfer of the Health Care Business to a wholly Owned Subsidiary Company (WOS) and investing in the Equity shares of WOS and also for providing security on behalf of a subsidiary company. Please visit the company's website at [www.bpl.in](http://www.bpl.in), for more details.

c) No Extra-Ordinary General Meeting of the Company was held during the Financial Year 2012-13

# Corporate Governance

## 7 Disclosures

a) *Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large :*

There were no materially significant related party transactions during the year under review that might have had potential conflict with the interests of the company.

b) *Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years :* None

c) *Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee*

Though the Company has not adopted a Whistle Blower Policy, the employees can freely access the Audit Committee or its members.

d) *Details of compliance with mandatory requirement and adoption of non-mandatory requirements of this clause*

The Company has duly complied with the mandatory requirements of Clause 49 and has constituted a Compensation Committee, which also functions as Remuneration Committee, which is non-mandatory under Clause 49.

## 8. Means of Communication

a) *Quarterly results*

The Company has been regularly publishing Audited/ Un-audited results in leading news dailies, immediately after the same is approved by the Board. The results are also posted on the Company's website.

b) *Newspapers wherein results normally published*

The quarterly results are normally published in the all India edition of Business Standard and Palakkad edition of Mathrubhumi.

c) *Company's Website address*

The quarterly results and other official news are posted on the Company's website at <http://www.bpl.in>,

d) *The presentations made to institutional investors or to the analysts*

No presentations were made to institutional investors or to the analysts during the year 2012-13

e) *E-mail ID for registering complaints by investors is:*  
investorsservices@bpl.in

## 9. General Shareholder Information

### Date, Time & Venue of Annual General Meeting

The Company will hold its 49<sup>th</sup> Annual General Meeting on Monday, the 30<sup>th</sup> day of September, 2013 at 10.00 a.m. at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala.

### Financial year

The Company's financial year starts on 1<sup>st</sup> April and ends on 31<sup>st</sup> March

### Date of Book Closure

Register of Members/Register of Share Transfer books will remain closed from 23<sup>rd</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).

### Dividend Payment Date

The Board of Directors have not recommended dividend on the equity shares for the financial year ended 31<sup>st</sup> March, 2013.

### Listing on Stock Exchanges

The Company's equity shares are listed in the following stock exchanges and the Company has paid the appropriate listing fees for the financial year 2012-13:

- 1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
- 2) National Stock Exchange of India Limited, "Exchange Plaza", 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

### Stock Code

Bombay Stock Exchange : 500074

National Stock Exchange : BPL

Market Price Data (high, low during each month in last financial year) and performance in comparison to BSE Sensex & NSE Nifty

Month	BPL on BSE			BSE Sensex		BPL on NSE			NSE Nifty	
	High (₹)	Low (₹)	Volume (Nos.)	High	Low	High (₹)	Low (₹)	Volume (Nos.)	High	Low
2012										
April	20.90	16.40	4640424	17664.10	17010.16	19.15	16.25	420321	5378.75	5160.65
May	17.70	14.70	3963505	17432.33	15809.71	17.65	14.80	297004	5279.60	4788.95
June	19.60	15.00	8162618	17448.48	15748.98	19.50	15.00	633656	5286.25	4770.35
July	21.45	15.80	27249013	17631.19	16736.60	21.65	15.70	1922040	5348.55	5032.40
August	19.40	15.90	18062467	17972.54	17026.97	19.40	15.95	1642659	5448.60	5164.65
September	20.40	15.10	12415711	18790.01	17250.80	20.50	16.00	983889	5735.15	5215.70
October	22.65	18.40	75083461	19137.29	18393.42	23.55	18.20	6177851	5815.35	4888.20
November	22.75	18.80	28925997	19372.70	18402.38	23.35	18.70	2238609	5885.25	5608.00
December	21.05	18.50	15123322	19612.18	19186.24	21.20	18.45	1081913	5965.15	5823.15
2013										
January	25.05	18.70	58330311	20203.66	19508.93	23.90	18.40	5655337	6111.80	5935.20
February	22.00	17.00	14378437	19966.69	18793.97	21.15	17.10	1792972	6052.95	5671.90
March	19.95	13.60	7563355	19754.66	18760.41	18.75	13.55	525116	5971.20	5604.85



# Corporate Governance

## Registrar and Transfer Agents

Karvy Computershare Private Limited, Unit: BPL Limited, Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh, India, Tel No. 91-40-44655000, Fax No. 91-40-23420814, E-mail: einward.ris@karvy.com www.karvycomputershare.com, Contact Person: Mr. P N Rao / Mr. K S Reddy

## Share Transfer System

The Company's shares are compulsorily traded in the demat form. The ISIN allotted to BPL Limited is: INE110A01019. Investors are required to establish an account with a Depository Participant to hold and trade shares in the dematerialized form. The list of participants is available with Depositories.

Share transfers in the physical form are approved on a fortnightly basis by the Company and are mailed to the investors. The total number of shares transferred during the year 2012-2013 was 300 (previous year 800).

## Distribution of Shareholding

No. of Shares held	31 <sup>st</sup> March, 2012				31 <sup>st</sup> March, 2013			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holdings	No. of Share holders	% of Share holders	No. of Shares held	% of Share holdings
1 - 500	23641	86.31	3409336	7.00	22894	85.80	3320012	6.79
501 - 1000	1886	6.89	1577582	3.24	1898	7.11	1587731	3.25
1001 - 2000	906	3.31	1425159	2.93	904	3.39	1425964	2.92
2001 - 3000	320	1.17	821388	1.69	321	1.20	831953	1.70
3001 - 4000	125	0.46	451715	0.93	141	0.53	516451	1.06
4001 - 5000	151	0.55	718398	1.48	151	0.57	717009	1.47
5001 - 10000	195	0.71	1433478	2.95	199	0.75	1474060	3.02
Above 10000	168	0.61	38833125	79.79	174	0.65	39011638	79.80
Total	27392	100.00	48670181	100.00	26682	100.00	48884818	100.00

## Shareholders' Profile as on 31<sup>st</sup> March, 2013

BPL Limited's shares are held by diverse entities. The break-up is as follows:

Category	Shares held	% to Total Equity
Promoters		
- Core	3,06,75,442	62.75
- Directors, Relatives & Friends	12,83,350	2.63
FII's / NRI's / OCBs	2,45,020	0.50
FI's / Banks / Mutual Funds	4,700	0.01
Insurance Companies	4,43,010	0.91
Bodies Corporate	34,02,521	6.96
Public	1,28,30,775	26.25
Total	4,88,84,818	100.00

## Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to facilitate holding & trading of Company's equity shares in electronic form. Nearly 98.00% of Company's shares are held in electronic form. The Company's shares are regularly traded on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

## Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments and hence, there will not be any impact on equity.

## Plant Locations

Details of addresses of plant locations are mentioned elsewhere in the Annual Report.

## Address for Correspondence

The Company Secretary, BPL Limited, 11th KM, Arakere, Bannerghatta Road, Bangalore 560 076.

## Declaration regarding compliance with the Code of Conduct of the Company by Board Members and Senior Management Personnel

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel, which is available at [www.bpl.in](http://www.bpl.in)

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year 2012-13.

Bangalore  
30<sup>th</sup> May, 2013

Ajit G Nambiar  
Chairman & Managing Director

# Independent Auditors' Report

To the Members of BPL Limited,

## Report on the Financial Statements

We have audited the accompanying financial statements of BPL Limited ("the company"), which comprise of the Balance Sheet as at March 31, 2013, and the statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control system relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe, that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the order), issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of account;
  - d) In our opinion, the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement comply with the Accounting

Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956,

- e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For T Velupillai & Co.,  
Chartered Accountants  
Firm Registration No. 0045925

Bangalore  
30<sup>th</sup> May, 2013

M S Ram (26687)  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 of our report, of even date, to the members of BPL Limited for the year ended 31<sup>st</sup> March, 2013

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As informed by the management, the company has conducted physical verification of its fixed assets at all locations and the process of reconciliation with books of account is in progress.
  - (c) During the year, the company has not disposed of any major/substantial part of its fixed assets. However, the Board of Directors in their meeting dated 6<sup>th</sup> May, 2013 have resolved to transfer the Health Care business as a going concern to M/s BPL Medical Technologies Private Limited, for consideration other than cash, subject to approval of its members. This does not affect the going concern status of the Company.
2. (a) Physical verification at reasonable periods in respect of finished goods, stores, spare parts and raw materials are reported to have been made by the management and certified by them accordingly. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies between physical stock and book stock, which were not material, have been properly dealt with in the books of account.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
  - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
  - (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

# Independent Auditors' Report

5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, we have not noticed any continuing failure to correct any major weakness in internal control systems.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956, and rules made there under, are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956, with respect to the manufacture of Medical Equipments. However, in respect of Printed Circuit Boards manufactured by the company, the Central Government has prescribed the maintenance of cost records under Section 209 (1)(d)

of Companies Act, 1956. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- (c) The following dues towards sales tax, income tax, customs duty, excise duty, gift tax, cess and service tax have not been deposited on account of disputes/appeals:

9. (a) According to the records of the Company and information and explanation given to us, there have been instances of delays in remittance of undisputed statutory dues including Income Tax Deducted at Source, Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Customs Duty, with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, undisputed amounts payable in respect of Customs Duty amounting to ₹ 289.87 Lakhs, Provident fund dues amounting to ₹ 0.18 lakhs and gratuity liability of ₹ 469 lakhs were outstanding, as at 31<sup>st</sup> March 2013, for a period of more than six months from the dates on which they became payable.

Name of Dues	Nature of Dispute	(₹ in Lakhs)	Forum where pending
Central Excise	Eligibility of Exemption from Payment of duty on DC Defibrillator, and penalty	56.42	Supreme Court
Central Excise	Recovery of CENVAT Credit due to price reduction of inputs	93.82	Tribunal
Central Excise	Demand of duty on clearance of sample Colour TVs	3.33	Tribunal
Central Excise	Demand for duty at Higher rate for clearance of CENVAT availed inputs	19.87	Comissioner Appeals
Central Excise	Demand of duty on clearance of CTV Parts/componensts/sub-assemblies on SKD condition to OEMs.	282.05	Tribunal
Central Excise	Penalty for non inclusion of Amortised Cost in value of Plastic Parts	34.73	Tribunal
Customs duty	Differential Duty on Imported Cathode Ray Tube	4.72	Commissioner-Appeals (Mumbai)
Customs duty	Entitlement to Exemption for parts of Defibrillator	627.61	CESTAT/Commissioner-(Appeals)
Customs duty	Special Customs duty on Capacitors	3.10	Commissioner-Appeals (Chennai)
Customs duty	Duty on clearance of bonded goods.	33.33	CESTAT
Sales Tax	Various disallowances and non- submission of 'c' forms	3017.22	At various appellate levels ranging from DCCTs (Appeals) to Appellate Tribunals
ServiceTax	Demand of Service tax on manpower services deemed to have been provided to Sanyo BPL Pvt. Ltd.	98.48	Tribunal

10. The Company's accumulated losses do not exceed 50% of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The company has not defaulted in repayment of principal and interest to any bank/financial institution, during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is neither a chit fund nor a nidhi/mutual benefit society. Hence, in our opinion, the requirements of Clause (xiii) of Companies (Auditor's Report) Order, 2003 do not apply to the company,
14. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Hence, in our opinion, the requirements of clause (xiv) of Companies (Auditor's Report) Order, 2003 do not apply to the company.
15. According to the information and explanations given to us, the Company has not given any guarantee during the year, for loans taken by others from banks and financial institutions.
16. According to the records of the company, the company has not obtained any term loans during the year. In case of continuing guarantees, we are

unable to express an opinion on whether the terms and conditions are prejudicial to the interests of the company, considering the status of the borrower.

17. The Company has not utilised funds borrowed on short term basis, if any, for long term uses, during the year under audit.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For T Velupillai & Co.,  
Chartered Accountants  
Firm Registration No. 0045925

Bangalore  
30<sup>th</sup> May, 2013

M S Ram (26687)  
Partner

# Balance Sheet

(₹)

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	3	218,47,26,130	218,25,79,760
(b) Reserves and Surplus	4	148,68,64,883	159,38,62,215
(2) Share Application Money - pending allotment			
(3) Non-Current Liabilities	5		
(a) Long-term borrowings		-	25,00,00,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		14,49,01,286	16,64,18,682
(d) Long term provisions		4,96,12,511	4,69,23,804
(4) Current Liabilities	6		
(a) Short term borrowings		-	-
(b) Trade payables		7,44,01,224	14,82,66,344
(c) Other current liabilities		10,19,57,541	8,82,97,387
(d) Short-term provisions		19,776	19,776
<b>Total</b>		<b>404,24,83,352</b>	<b>447,63,67,967</b>
<b>II. ASSETS</b>			
(1) Non-Current assets			
(a) Fixed assets	7		
(i) Tangible assets		20,36,51,407	26,38,16,761
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current investments	8	115,40,10,000	115,40,10,000
(c) Deferred tax assets (net)	9	200,56,51,176	240,48,59,677
(d) Long term loans and advances	10	22,62,88,175	25,28,00,968
(e) Other non-current assets	11	6,03,03,501	6,39,65,975
(2) Current assets			
(a) Current investments	12	-	-
(b) Inventories	13	8,06,77,696	9,42,98,899
(c) Trade receivables	14	18,39,08,856	12,94,93,905
(d) Cash and cash equivalents	15	7,06,65,730	5,66,51,094
(e) Short-term loans and advances	16	5,67,09,759	5,63,59,147
(f) Other current assets	17	6,17,051	1,11,539
<b>Total</b>		<b>404,24,83,352</b>	<b>447,63,67,967</b>
Contingent Liabilities and Commitments	18	62,71,61,076	49,66,14,781
Significant Accounting Policies & Notes on Accounts	1 & 2		

As per our report attached

For and on behalf of the Board of Directors

**for T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary

# Statement of Profit and Loss

(₹)

Particulars	Note No.	For the year ended	
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
I Revenue from Operations (Gross)	19	99,32,50,385	79,37,60,178
Less: Excise duty		3,51,89,533	2,25,43,681
Revenue from Operations (Net)		95,80,60,852	77,12,16,497
II. Other Income		38,77,23,260	75,97,76,456
<b>III. Total Revenue (I +II)</b>		<b>134,57,84,112</b>	<b>153,09,92,953</b>
IV. Expenses			
Cost of materials consumed	20	34,79,80,078	26,35,54,186
Purchase of Stock-in-Trade	21	34,11,86,530	29,23,99,712
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		39,81,342	(48,51,127)
Employee benefit expense	22	14,45,31,044	18,09,53,488
Financial costs	23	3,18,69,415	3,65,80,541
Depreciation and amortization expense		1,67,44,322	7,85,04,577
Other expenses	24	16,69,91,718	14,35,35,522
<b>Total Expenses</b>		<b>105,32,84,449</b>	<b>99,06,76,899</b>
V. Profit before exceptional and extra-ordinary items and tax (III - IV)		29,24,99,663	54,03,16,054
VI. Exceptional Items		-	(28,07,260)
VII. Profit before extra-ordinary items and tax (V - VI)		29,24,99,663	53,75,08,794
VIII. Extra-ordinary Items		38,18,643	(2,00,69,751)
<b>IX. Profit before tax (VII - VIII)</b>		<b>29,63,18,306</b>	<b>51,74,39,043</b>
X. Tax expense:			
(1) Current tax			
(2) Deferred tax		(39,92,08,501)	8,94,62,145
XI. Profit / (Loss) from the period from continuing operations		(10,28,90,195)	60,69,01,188
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit / (Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit / (Loss) for the period (XI + XIV)</b>		<b>(10,28,90,195)</b>	<b>60,69,01,188</b>
XVI. Earning per equity share:			
(1) Basic		(2.1)	14.1
(2) Diluted		(2.1)	14.0
No. of Equity Shares		4,88,84,818	4,86,70,181
No. of shares with stock options outstanding		-	3,41,067

As per our report attached

For and on behalf of the Board of Directors

**for T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary



# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>3. SHAREHOLDERS' FUNDS</b>		
<b>Share Capital</b>		
<b>3.1 Equity Share Capital</b>		
3.1.1 Authorised Equity Share Capital 5,50,00,000 Shares (5,50,00,000 Shares) of ₹ 10/- each	55,00,00,000	55,00,00,000
3.1.2 Issued, Subscribed and fully Paid-Up 4,88,84,818 Shares (4,86,70,181 Shares) of ₹10/- each	48,88,48,180	48,67,01,810
3.1.3 There are no shares that have been issued, subscribed and not fully paid up.		
3.1.4 Forfeited Shares	9,750	9,750
3.1.5 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	-	3,41,067
3.1.6 Number of Equity Shares outstanding as at the beginning of the period	4,86,70,181	4,85,10,244
Number of Equity Shares outstanding as at the end of the period	4,88,84,818	4,86,70,181
Shares issued on exercise of Employees Stock Options	2,14,637	1,59,937
3.1.7 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 3.5		
Total - Equity Share Capital	<u>48,88,57,930</u>	<u>48,67,11,560</u>
<b>3.2 Preference Share Capital</b>		
3.2.1 Authorised Preference Share Capital 1,70,00,000 Shares (1,70,00,000 Shares) of ₹100/- each	170,00,00,000	170,00,00,000
3.2.2 Issued, Subscribed and fully Paid-Up 1,69,58,682 Shares (1,69,58,682 Shares) of ₹100/- each	169,58,68,200	169,58,68,200
Total - Preference Share Capital	<u>169,58,68,200</u>	<u>169,58,68,200</u>
<b>3.3 Notes on Share Capital</b>		
3.3.1 The Company has not issued any securities convertible into equity/preference shares.		
3.3.2 There are no rights, preferences and restrictions attaching to class of shares mentioned above.		
3.3.3 During any of the last five years ending 31 <sup>st</sup> March, 2007 : No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. No shares were allotted as fully paid up by way of bonus shares. No shares were bought back.		
<b>3.4 Cross References to Notes under other heads - Nil</b>		

# Notes forming part of Balance Sheet

(₹)

## 3.5 Shareholders holding 5% and above stake in the company

### a) Equity Shares

Sl. No.	Name	31st March, 2013		31st March, 2012	
		No. of Shares	% to the total Equity Capital	No. of Shares	% to the total Equity Capital
1.	Electro Investment Private Limited	2,31,02,544	47.26	2,31,02,544	47.47
2.	Merino Finance Private Limited	30,77,500	6.30	30,77,500	6.32
3.	E R Computers Private Limited	25,51,000	5.22	25,51,000	5.24

### b) Preference Shares

Sl. No.	Name	No. of Shares	% to the total Preference Capital	No. of Shares	% to the total Preference Capital
1.	ICICI Bank Limited	-	-	65,37,837	38.55
2.	Pegasus Assets Reconstruction Private Limited	-	-	40,11,432	23.65
3.	ER Computers Pvt Ltd	73,71,837	43.47	-	-
4.	Electro Investment Pvt Ltd	15,76,222	9.29	-	-
5.	Namfil Finance Co Pvt Ltd	13,23,728	7.81	-	-
6.	Merino Finance Pvt Ltd	9,80,429	5.78	-	-
7.	Oriental Bank of Commerce	20,00,000	11.79	20,00,000	11.79
8.	Canara Bank	18,07,033	10.66	18,07,033	10.66

## 4. Reserves and Surplus

### 4.1 Reserves

(₹)

Description	Balance as at 31 <sup>st</sup> March, 2012	Additions	Deductions	Balance as at 31 <sup>st</sup> March, 2013
Capital Redemption Reserve	53,33,00,000	-	-	53,33,00,000
Capital Reserve	49,800	-	-	49,800
Share Premium Account	183,48,00,981	61,27,886	-	184,09,28,868
Employees Stock Options-Outstanding Account	1,02,15,247	-	1,02,15,247	-
<b>Total</b>	<b>237,83,66,028</b>	<b>61,27,886</b>	<b>1,02,15,247</b>	<b>237,42,78,668</b>

### 4.2 Surplus

Opening Surplus i.e., Balance in Statement of Profit and Loss	(139,13,85,226)			(78,45,03,814)
Add : Profit for the period as per XV of Statement of Profit and Loss	60,69,01,188			(10,28,90,195)
Less : Dividend on Preference Shares	16,959			16,959
Final Dividend @ 0.001%				
Tax on Preference Dividend	2,817			2,817
Closing Surplus i.e., Balance in Statement of Profit and Loss	(78,45,03,814)	-	-	(88,74,13,785)
<b>4.3 Total - Reserves and Surplus</b>	<b>159,38,62,215</b>	<b>61,27,886</b>	<b>1,02,15,247</b>	<b>148,68,64,883</b>

### 4.4 Cross References to Notes under other heads : Nil

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>5. Non-Current Liabilities</b>		
5.1 Long Term Borrowing		
5.1.1 Secured		
Total - Secured Long Term Borrowings	-	-
5.1.2 Unsecured		
Other loans and advances	-	25,00,00,000
Total - Unsecured Long Term Borrowings	-	25,00,00,000
5.1.3 Total - Long Term Borrowings	-	<u>25,00,00,000</u>
5.1.4 Notes on Long Term Borrowings		
There has been no continuing default as on Balance Sheet date in repayment of loans and interest.		
5.1.5 Cross References to Notes under other heads : Nil		
5.2 Other Long Term Liabilities		
Trade Payables*	14,49,01,286	16,64,18,682
Other Long Term Liabilities	-	-
Total - Other Long Term Liabilities	<u>14,49,01,286</u>	<u>16,64,18,682</u>
*Trade Payable includes related party balances		
Electro Investment Pvt. Ltd	82,00,000	-
Dynamic Electronics Pvt. Ltd	25,00,000	-
ER Computers Pvt. Ltd	58,05,662	-
Electronic Research Pvt. Ltd	4,20,72,259	-
Orion Construction Co Pvt. Ltd	16,30,903	-
Phoenix Holdings Pvt. Ltd	20,41,835	-
5.3 Long Term Provisions		
Provisions for employees - Gratuity/Superannuation	4,96,12,511	4,69,23,804
Total Non Current Liabilities	<u>19,45,13,797</u>	<u>46,33,42,486</u>
<b>6. Current Liabilities</b>		
6.1 Trade Payables		
Trade Payables	5,56,65,661	10,73,79,160
Others	1,87,35,563	4,08,87,183
Total - Trade Payables	<u>7,44,01,224</u>	<u>14,82,66,344</u>
6.2 Other Current Liabilities		
Trade Deposit & Advances	3,37,18,591	2,52,82,875
Income received in advance	1,15,61,053	1,11,08,384
Sales Tax & withholding taxes payable	4,00,93,337	3,76,76,649
Employees- Salaries & Benefits	1,65,84,561	1,42,29,479
Total - Other Current Liabilities	<u>10,19,57,541</u>	<u>8,82,97,387</u>
6.3 Short Term Provisions		
Provision for Preference Dividend	19,776	19,776
Total Short Term Provisions	19,776	19,776
Total - Current Liabilities	<u>17,63,78,542</u>	<u>23,65,83,507</u>

# Notes forming part of Balance Sheet

(₹)

## 7. Non - Current Assets

Description	Gross Block				Depreciation				Net Block	
	As at 31 <sup>st</sup> March, 2012	Additions	Deletions	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	For the year	Deletions	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>7.1 Tangible Assets</b>										
Land	5,78,46,175		20,94,811	5,57,51,364					5,57,51,364	5,78,46,175
Buildings	28,48,24,617		8,27,01,052	20,21,23,565	13,72,27,560	62,82,498	3,38,81,716	10,96,28,342	9,24,95,223	14,75,97,056
Plant & Equipments	9,45,68,144	68,26,801	3,05,760	10,10,89,185	5,65,75,125	61,97,319	2,64,603	6,25,07,841	3,85,81,344	3,79,93,019
Office Equipments	9,15,41,528	8,55,567		9,23,97,095	8,45,69,015	19,09,223		8,64,78,238	59,18,857	69,72,513
Furniture & Fixtures	16,69,06,253			16,69,06,253	15,77,81,715	14,78,249		15,92,59,964	76,46,289	91,24,538
Vehicles	3,55,05,500		6,09,301	3,48,96,199	3,29,96,009	4,47,114	1,65,404	3,32,77,719	16,18,480	25,09,491
Research and Developmental Expenditure	13,41,02,441	2,95,800		13,43,98,241	13,23,28,471	4,29,919		13,27,58,390	16,39,851	17,73,970
<b>Total - Tangible &amp; Intangible Assets</b>	<b>86,52,94,658</b>	<b>79,78,168</b>	<b>8,57,10,924</b>	<b>78,75,61,902</b>	<b>60,14,77,895</b>	<b>1,67,44,322</b>	<b>3,43,11,723</b>	<b>58,39,10,494</b>	<b>20,36,51,408</b>	<b>26,38,16,762</b>
Previous year	223,61,32,896	25,75,793	137,34,14,031	86,52,94,658	60,14,77,896	7,85,04,577	99,54,82,899	60,14,77,896	26,38,16,762	71,76,76,679

7.2 Pursuant to settlement agreement with M/s Peagasus Assets Reconstruction Pvt. Ltd., some of the assets comprising of Land and Building are held by them as security against indemnity obligations surviving till 29th March 2014. Assets so secured are: Residential Properties at Poonam Chambers, Mumbai, Ashok Bhavan, New Delhi, Land and Building at Doddaballapur Taluk, Bangalore and Land and Building at Somanahally Industrial Area, Mandya District.

7.3 The Company has created a charge in favour of M/s Asia Pragati Capfin Pvt Ltd (APCL), New Delhi, on the following immovable properties which are offered as collateral security on behalf of its subsidiary -Bharat Energy Ventures Ltd (BEVL) in connection with issue of non-cumulative debentures of Rs. 23 Crores by BEVL to APCL.

- Land situated at Survey No. 89 together with buildings & structures thereon situated at Cheemasandra Village, Bidarahalli Hobli, Hoskote Taluk, Bangalore Dist.
- Land situated at Survey No. 56/ 57 of Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bangalore Dist.
- Land together with buildings and structures at plot no. 7 (part) at Survey No. 598 situated at Annupparpalayam Village, Ward NO. 5 (New No. 7) Coimbatore Town.

Particulars	No. of Shares	31 <sup>st</sup> March, 2013	No. of Shares	31 <sup>st</sup> March, 2012
<b>8. Non-Current Investments</b>				
<b>8.1 Trade Investments (at cost)</b>				
Investment in Subsidiary Companies	11,54,00,000	115,40,00,000	11,54,00,000	115,40,00,000
Total - Trade Investments		<u>115,40,00,000</u>		<u>115,40,00,000</u>
<b>8.2 Other Investments (at cost)</b>				
Investment in Partnership Firms		3,88,04,549		3,88,04,549
Investment in Joint Ventures	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
Investments in Traded Companies - Quoted	4,15,000	1,14,93,325	4,15,000	1,14,93,325
Investments in Traded Companies - Un-quoted	1,58,00,980	60,78,43,408	1,58,00,980	60,78,43,408
Total - Other Investments		<u>88,50,41,282</u>		<u>88,50,41,282</u>
<b>8.3 Total of 8.1 and 8.2</b>				
Less: Provision for diminution in the value of investments		88,50,31,282		88,50,31,282
Total - Trade Investments & Other Investments		115,40,10,000		115,40,10,000
<b>8.4 Details of Trade Investments</b>				
<b>8.4.1 Subsidiary Companies</b>				
Equity Instruments - fully paid - Un-quoted Bharat Energy Ventures Limited :				
11,54,00,000 Equity Shares of ₹ 10/- each fully paid-up	11,54,00,000	115,40,00,000	11,54,00,000	115,40,00,000

# Notes forming part of Balance Sheet

(₹)				
Particulars	No. of Shares	31 <sup>st</sup> March, 2013	No. of Shares	31 <sup>st</sup> March, 2012
8.4.2 General Information				
Aggregate Value of Investments:				
Quoted at Cost				
At Market Value				
Un-quoted at Cost		115,40,10,000		115,40,10,000
8.5 Details of Other Investments				
8.5.1 Investments in Traded Companies - Quoted Equity Instruments - Fully Paid - Quoted				
B S Appliances Limited :				
81,000 Equity Shares of ₹ 10/- each, fully paid up (Market value: Nil)	81,000	33,50,375	81,000	33,50,375
BPL Engineering Limited :				
3,34,000 Equity Shares of ₹ 10/- each, fully paid up (Market value: Nil)	3,34,000	81,42,950	3,34,000	81,42,950
8.5.2 Investments in Traded Companies - Un-quoted Equity Instruments - Fully Paid - Un-quoted				
BPL Telecom Private Limited :				
25,96,980 Equity Shares of ₹ 10/- each, fully paid up	25,96,980	21,59,58,986	25,96,980	21,59,58,986
BPL Management Services Limited :				
89,91,000 Equity Shares of ₹ 10/- each, fully paid up	89,91,000	8,99,09,910	89,91,000	8,99,09,910
BPL Techno Vision Private Limited :				
1000 Equity Shares of ₹ 10/- each, fully paid up	1,000	10,000	1,000	10,000
Electronic Research Private Limited :				
35,75,000 Equity Shares of ₹ 10/- each, fully paid up	35,75,000	3,57,50,000	35,75,000	3,57,50,000
Kleer Industries Inc. (USA) :				
87,000 Shares of 7 USD each	87,000	2,05,99,443	87,000	2,05,99,443
5,50,000 Shares of 10 USD each	5,50,000	24,56,15,069	5,50,000	24,56,15,069
8.5.3 Joint Venture Companies				
Equity Instruments - Fully Paid - Un-quoted				
Sanyo BPL Private Limited :				
2,26,90,000 Equity Shares of ₹ 10/- each, fully paid up	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
8.5.4 Investment in Partnership Firms				
Kodi Properties and Finance		3,78,41,790		3,78,41,790
Wellworth Electronics		9,62,759		9,62,759



# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>9. Deferred Tax Assets (Net)</b>		
9.1 Assets		
Others (Carried forward Business Loss & Un-obsorbed Depreciation)	200,56,51,176	240,48,59,677
9.2 Net Deferred Tax asset	<u>200,56,51,176</u>	<u>240,48,59,677</u>
<b>10. Long Term Loans and Advances</b>		
10.1 Loans and advances to related parties (refer note no. 2.7)		
Unsecured, considered good	22,62,88,175	25,28,00,968
10.2 Total - Long Term Loans and Advances	<u>22,62,88,175</u>	<u>25,28,00,968</u>
Long Term Loans and Advances due by Directors/Officers	-	-
<b>11. Other Non Current Assets</b>		
11.1 Others (Security Deposit)		
Secured, considered good	6,03,03,501	6,39,65,975
Total - Security Deposits	6,03,03,501	6,39,65,975
11.2 Total - Other Non-Current Assets	<u>6,03,03,501</u>	<u>6,39,65,975</u>
<b>12. Current Investments</b>	-	-
<b>13. Inventories</b>		
13.1 Valued at Lower of Cost or Realisable value		
Raw Materials	2,62,37,326	3,25,58,459
Work-in-Progress	88,48,066	77,31,456
Finished Goods	1,94,00,363	2,44,98,315
Stores and Spares	2,61,91,941	2,95,10,669
Total - Inventories	<u>8,06,77,696</u>	<u>9,42,98,899</u>
<b>14. Trade Receivables</b>		
14.1 Outstanding for a period more than six months from the due date of payment		
Unsecured considered good	14,94,303	-
Unsecured considered doubtful	17,28,009	40,67,223
Less:- Provision for doubtful receivables	17,28,009	40,67,223
	<u>14,94,303</u>	<u>-</u>
14.2 Other Trade Receivables outstanding for a period less than six months from due date of payment		
Unsecured considered good	18,24,14,552	12,94,93,905
Total - Trade Receivables	<u>18,39,08,856</u>	<u>12,94,93,905</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>15. Cash and bank balances</b>		
15.1 Cash and Cash equivalents		
Cash on hand	1,74,852	1,21,646
Total - Cash and Cash equivalents	<u>1,74,852</u>	<u>1,21,646</u>
15.2 Other Bank Balances		
includes earmarked balances:		
Bank Balances :		
(i) Current Account	3,79,92,834	2,40,41,139
(ii) Deposit Account	3,24,98,044	3,24,88,309
Total - Bank Balances	<u>7,04,90,878</u>	<u>5,65,29,448</u>
Total of Cash and Bank Balances	<u>7,06,65,730</u>	<u>5,66,51,094</u>
<b>16. Short Term Loans and Advances</b>		
16.1 Advance payment of income tax & wealth tax (including TDS)	5,10,07,274	5,29,60,819
16.2 Deposits/Balances with Excise / Sales Tax Authorities	39,76,610	23,92,094
16.3 Loans & Advances to Employees	17,25,876	10,06,234
16.4 Total - Short Term Loans and Advances	<u>5,67,09,759</u>	<u>5,63,59,147</u>
<b>17. Other Current Assets</b>		
Interest Accured	6,17,051	1,11,539
	<u>6,17,051</u>	<u>1,11,539</u>
<b>18. Contingent Liabilities and Commitments</b>		
18.1 Contingent Liabilities		
Claims against the company not acknowledged as debt		
Cental Excise	4,90,23,392	4,90,23,392
Customs	6,65,66,447	6,68,77,345
Service Tax	98,48,238	98,48,238
Sales Tax	30,17,22,999	17,08,65,806
Guarantees	20,00,00,000	20,00,00,000
Total	<u>62,71,61,076</u>	<u>49,66,14,781</u>
18.2 Commitments		
As per CDR Scheme, lenders have a recompense clause for economic loss due to restructuring, which would be met out of any future cash flows of the company. It is not possible to quantify the liability, if any, that may arise.	-	-
18.3 Total - Contingent Liabilities and Commitments	<u>62,71,61,076</u>	<u>49,66,14,781</u>
Other Notes to Balance Sheet		
In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet		

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
<b>19. Revenue</b>				
19.1 Revenue from Operations				
Sale of Products	96,43,50,405		77,73,66,626	
Sale of Services	2,88,99,980		1,63,93,552	
Other Operating Revenue	-		-	
Less: Excise Duty	3,51,89,533		2,25,43,681	
Net Sales		<u>95,80,60,852</u>		<u>77,12,16,497</u>
19.2 Other Income				
Interest Income	24,46,543	24,46,543	20,46,823	20,46,823
Net gain / loss on sale of Fixed Assets	37,34,83,513	37,34,83,513	74,51,77,228	74,51,77,228
Other non-operating income - Net	1,10,69,153	1,10,69,153	1,20,61,941	1,20,61,941
Other than non-operating income - Net	7,24,051	7,24,051	4,90,464	4,90,464
Total - Other Income		<u>38,77,23,260</u>		<u>75,97,76,456</u>
<b>20. Raw Materials Consumed</b>				
Opening Stock	3,25,58,459		2,62,71,466	
Raw & Process Material Purchased	269,412,447		20,88,72,491	
Power & Fuel	9,732,070		76,03,824	
Stores, Spares & Packing Materials Consumed	6,25,14,428		5,33,64,864	
Closing Stock	(2,62,37,326)		(3,25,58,459)	
Total - Raw materials consumed		<u>34,79,80,078</u>		<u>26,35,54,186</u>
<b>21. Purchase of Stock-in-Trade</b>	34,11,86,530	34,11,86,530	29,23,99,712	29,23,99,712
Changes in Inventories				
Stock at Opening - Finished Goods	2,44,98,315		1,83,41,519	
Stock at Opening - Work in Process	77,31,456		90,37,125	
Total - Opening Stock		<u>3,22,29,771</u>		<u>2,73,78,644</u>
Stock at Closing - Finished Goods	1,94,00,363		2,44,98,315	
Stock at Closing - Work in Process	88,48,066		77,31,456	
Total - Closing Stock		2,82,48,429		3,22,29,771
(Increase)/Decrease in Stocks		<u>39,81,342</u>		<u>(48,51,127)</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31st March, 2013		31st March, 2012	
<b>22. Employee Benefits</b>				
Salaries and Wages	12,37,48,119		15,25,49,926	
Contribution to Provident and other funds	87,37,170		1,67,59,367	
Director's Remuneration	82,56,000		82,56,000	
Staff welfare expenses	37,89,755		33,88,195	
Total - Employee Benefits		<u>14,45,31,044</u>		<u>18,09,53,488</u>
<b>23. Finance Costs</b>				
Interest Expenses on Term Loans	-		1,28,121	
Interest on Overdrafts/Others	2,90,33,783		3,38,05,111	
Other Borrowing Cost	28,35,632		26,47,309	
Total - Finance Costs		<u>3,18,69,415</u>		<u>3,65,80,541</u>
<b>24. Other Expenses</b>				
Advertisemet & Publicity	57,99,451		28,22,978	
Auditors Remuneration	10,56,464		7,47,194	
Bad Debts/Projects Written Off	17,21,746		11,82,824	
Selling expenses	36,23,839		38,24,339	
Commission on Sales	45,83,752		49,01,585	
Communication Expenses	95,15,040		85,89,286	
Conveyance & Travelling	2,76,62,938		2,64,97,976	
Directors Sitting Fees	2,70,000		2,05,000	
Discounts & AMC reimbursement	1,83,92,246		1,62,25,353	
Donations	50,000		200	
Foreign Exchange Fluctuation	12,88,255		9,25,980	
Freight Charges	1,58,98,992		1,21,57,537	
Insurance Expenses	42,41,969		46,41,720	
Legal & Professional	2,25,51,836		2,28,44,048	
Miscellaneous Expenses	4,71,754		3,65,192	
Office Maintenance	1,85,07,472		1,24,90,075	
Printing & Stationery	16,60,582		15,81,415	
Rates & Taxes	68,27,839		88,49,491	
Rent	1,15,91,714		1,16,49,038	
Repair & Maintenance - P&M	27,47,614		13,11,999	
Staff Recruitment & Training	1,64,012		7,63,072	
Vehicle Operating Expenses	10,96,825		9,59,220	
Advance written off	72,67,379		-	
Total - Other Expenses		<u>16,69,91,718</u>		<u>14,35,35,522</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
24.1 Auditors' Remuneration				
Audit Fees	5,00,000		5,00,000	
Tax Audit Fees	75,000		75,000	
Reimbursement of Expenses	40,000		35,000	
Taxation matters	3,00,000		5,000	
Certification Charges	50,000		50,000	
Service Tax	91,464		82,194	
Total		<u>10,56,464</u>		<u>7,47,194</u>
24.2 CIF Value of Imports				
Raw materials	8,03,49,217		5,41,94,478	
Components/parts	40,90,51,192		31,50,75,804	
Total		<u>48,94,00,409</u>		<u>36,92,70,282</u>
24.3 Expenditure in Foreign Currency				
Professional Charges	2,64,739		46,577	
Travelling	2,97,199		2,39,141	
Total		<u>5,61,938</u>		<u>2,85,718</u>
24.4 Raw Materials Consumed				
Imported	50,39,89,196		40,52,88,599	
Imported % to total		73.10		72.90
Indigenous	18,51,77,413		15,06,65,298	
Indigenous % to total		26.90		27.10
Total	<u>68,91,66,609</u>	<u>100.00</u>	<u>55,59,53,897</u>	<u>100.00</u>
24.5 Earnings in Foreign Currency				
Export of goods on F.O.B. basis		5,13,071		-



# Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before exceptional, extra-ordinary items and tax	29,24,99,663	54,03,16,054
<i>Adjustments for:</i>		
Depreciation and Amortisation	1,67,44,322	7,85,04,577
(Profit)/Loss on sale / write off of assets	(37,34,83,513)	(74,51,77,228)
Expense on Employee Stock Option Scheme	(40,87,361)	89,90,360
Finance Costs	3,18,69,415	36,580,541
Interest Income	(24,46,543)	(20,46,823)
Provision for doubtful trade and other receivables, loans and advances	-	(28,07,260)
	(33,14,03,680)	(62,59,55,833)
Operating Profit/(Loss) before working capital changes	(38,904,018)	(8,56,39,779)
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	1,36,21,203	(1,00,39,320)
Trade receivables	(5,44,14,950)	4,79,97,265
Short-term loans and advances	17,06,045	7,53,770
Long-term loans and advances	2,65,12,794	(15,22,16,095)
Other current assets	(5,05,512)	(1,11,539)
Other non-current assets	36,62,474	(12,71,861)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	(7,38,65,119)	54,63,945
Other current liabilities	1,36,60,154	(1,94,12,211)
Other long-term liabilities	(2,15,17,396)	(8,59,18,337)
Short-term provisions	-	-
Long-term provisions	26,88,707	2,056,415
	(8,84,51,601)	(21,26,97,967)
	(12,73,55,619)	(29,83,37,746)
Cash flow from extra-ordinary items		-

# Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
Cash generated from operations	(12,73,55,619)	(29,83,37,746)
Net Income Tax (paid)/refunds	(17,61,988)	(23,40,080)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(12,55,93,631)</b>	<b>(30,06,77,826)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(79,78,168)	(25,75,793)
Proceeds from sale of fixed assets	42,48,82,713	112,31,08,361
Interest received	-	-
- Others	24,46,543	20,46,823
Cash flow from extra-ordinary items	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>41,93,51,088</b>	<b>112,25,79,391</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	21,46,370	15,99,370
Repayment of long-term borrowings	(25,00,00,000)	(88,87,78,796)
Proceeds from other short-term borrowings	-	12,00,00,000
Repayment of other short-term borrowings	-	-
Finance cost	(3,18,69,415)	(3,65,80,541)
Dividends paid	(19,777)	(16,959)
Tax on dividend	-	(2,817)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(27,97,42,822)</b>	<b>(80,37,79,743)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,40,14,636</b>	<b>1,81,21,822</b>
Cash and cash equivalents at the beginning of the year	5,66,51,094	3,85,29,271
Cash and cash equivalents at the end of the year	7,06,65,730	5,66,51,094

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Ajit G Nambiar  
Chairman & Managing Director

Capt. S Prabhala  
Director

Bangalore  
30<sup>th</sup> May 2013

Manoj U Nambiar  
Chief Financial Officer

Srinath Maniyal M  
Company Secretary

# Notes to Accounts

Notes attached to and forming part of the Accounts for the Period ended 31st March, 2013

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 General

The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

### 1.2 Fixed Assets

Fixed Assets, except Land and Building which were revalued as on 30.04.85, are stated at their original cost of acquisition including incidental expenditure related thereto, taxes, duties other than modvat credit availed and installation expenses. Net surplus or deficiency that arise when an asset is disposed/ discarded/ demolished/ destroyed, are duly accounted.

### 1.3 Depreciation

Depreciation on Fixed Assets are provided on Straight Line Method at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

### 1.4 Investments

Investments are stated at cost. Provisions are made to recognize permanent diminution in the value of Investments.

### 1.5 Inventories

Inventories are valued as under:

Finished Goods : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

Materials, Components & Spares : At weighted average cost including taxes & duties

Goods in transit : At cost

### 1.6 Foreign Currency Transaction

Transactions in Foreign Currency, other than those covered by forward contracts are accounted at exchange rates prevailing on the date of the transaction. Assets and liabilities in foreign currency not covered by forward contracts are translated at exchange rate prevailing on the date of the Balance Sheet. The Net loss, if any, on conversion is charged to revenue / asset account but gains if insignificant, is not accounted for.

### 1.7 Research and Development

Fixed Assets purchased for Research & Development are capitalised and depreciated as per the Company's policy.

### 1.8 Retirement Benefit

Contribution to recognised Provident Fund is made at predetermined rates. The Company has an arrangement with Life Insurance Corporation of India to administer its Gratuity and Superannuation Schemes. The Gratuity liability calculated as per Actuarial Valuation is ₹ 201.57 Lakhs for existing employees and for exit employees it is ₹ 268.16 Lakhs. The following table sets out the status of the plan as required under AS15:

		(₹)	
Gratuity computations as on 31 <sup>st</sup> March, 2013			
Defined Benefit Plans - Gratuity - Funded Obligation		31.03.2013	31.03.2012
i.	Actuarial Assumptions		
	Discount Rate (per annum)	8.25%	8.50%
	Expected return on plan assets	8.00%	8.00%
	Salary escalation rate	5.00%	5.00%
	Expected average future service (years)	18.83	19.75
ii.	Reconciliation of present value of obligation		
	Obligations at period beginning - Current	21,08,154	46,79,503
	Obligations at period beginning - Non-current	2,31,18,437	2,65,15,280

# Notes to Accounts

	Current Service Cost	10,23,456	10,45,237
	Interest Cost	20,11,396	26,51,557
	Actuarial (gain)/loss	(26,47,917)	(2,82,084)
	Benefits Paid	(16,92,068)	(93,82,902)
	Present value of obligation at end of the year	2,39,21,458	2,52,26,591
	Current Liability (within 12 months)	21,68,435	21,08,154
	Non-Current Liability	2,17,53,023	2,31,18,437
iii.	Change in plan assets		
	Plan assets at period beginning at fair value	34,80,599	32,18,307
	Expected return on plan assets	2,78,448	2,73,556
	Actuarial gain/(loss)	5,221	(11,264)
	Contributions	-	-
	Benefits settled	-	-
	Contribution for Benefits settled directly by company	-	93,82,902
	Benefits settled directly by the company	-	(93,82,902)
	Plan assets at period end, at fair value	37,64,268	34,80,599
iv.	Net Asset/(Liability) recognised in Balance Sheet		
	Present value of obligation at end of the year	2,39,21,458	2,52,26,591
	Fair Value of plan assets at end of the year	37,64,268	34,80,599
	Net Asset/(Liability) recognized in the balance sheet	(2,01,57,190)	(2,17,45,991)
v.	Expenses recognised in the Statement of Profit & Loss		
	Current Service Cost	10,23,456	10,45,237
	Interest Cost	20,11,396	26,51,557
	Expected return on plan assets	(2,78,448)	(2,73,556)
	Actuarial (gain)/loss recognised in the period	(26,53,138)	(2,70,820)
	Total expenses recognised in the Statement of Profit & Loss	1,03,266	31,52,417

The Company had discontinued the Superannuation Scheme effective November 2011. The crystallized liability under Superannuation Scheme as on 31<sup>st</sup> March 2013 was ₹ 26.39 lakhs.

## 1.9 Borrowing Cost

Borrowing Cost that are directly attributable to the acquisition, Construction or production of a qualifying asset are capitalised as part of the asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

## 1.10 Revenue Recognition

Revenue in respect of Sale of Products is recognised when goods are supplied to customers.

Revenue from AMC Income is recognized on time proportion basis. Service Income is accounted as and when services are rendered. Dividend income on Investments is accounted when the right to

receive the payment is established. Interest income is recognised on a time proportionate basis considering the amount outstanding and rate applicable. Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

## 1.11 Contingent Liability

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which are adequately disclosed in accounts.

## 2. NOTES ON ACCOUNTS

2.1 There are no secured loans at the end of the reporting period.

# Notes to Accounts

## 2.2 Quantitative Particulars

### a. Particulars of opening and closing stock of finished goods after adjusting returns

Products	Opening Stock	Closing Stock
Medical Electronics	1,416	1,175

### b. Production

Products	Installed Capacity (Nos.)	Actual production	
		2012-13 (Nos.)	2011-12 (Nos.)
Medical Electronics	20000	8411	7334

The products are assembled from a large number of Components/Parts procured from outside suppliers. Hence, quantity particulars for each item in respect of Purchases, Consumption and Sales cannot be furnished.

### c. Traded Goods

Products	2012-13		2011-12	
	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
Purchases : Medical Electronics	11,019	32,54,40,480	9759	255,942,438

### d. Sales

Products	2012-13		2011-12	
	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
Domestic				
Medical Electronics	19,603	78,57,82,669	18450	57,64,52,394
Service Charges		2,88,99,980		1,63,93,552
Components, Spares Etc		17,64,07,715		19,69,73,637
		<u>99,10,90,364</u>		<u>78,98,19,583</u>
Exports				
Medical Electronics	68	21,60,021	77	39,40,595
		<u>21,60,021</u>		<u>39,40,595</u>
		<u>99,32,50,385</u>		<u>79,37,60,178</u>

## 2.3 Share Capital

2.3.1 Share Capital includes 21,930 Equity Shares of ₹ 10/- each, allotted as Fully Paid Up for consideration other than cash and 96,50,000 Equity Shares of ₹ 10/- each, allotted as Bonus Shares by Capitalisation of General Reserve during an earlier period.

2.3.2 1,69,58,682 Non- Convertible, Non-Cumulative 0.001% Preference Shares of ₹ 100/- each, were allotted on 23rd September, 2005, pursuant to the Scheme of Arrangement approved by the Hon. High Court of Kerala, Ernakulam. Out of which, 1,41,24,682 shares are redeemable in four equal installments at the end of the 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> year and the balance of 28,34,000 shares are redeemable in ten equal installments commencing from 31<sup>st</sup> March,

2008. The Company is yet to redeem these preference shares and the amount outstanding as on 31<sup>st</sup> March, 2013, was ₹ 17 crores.

2.3.3 The Company has instituted an Employees Stock Option Plan BPL ESOS-2009 as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding 20,00,000 Options in the aggregate to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including Independent Directors of the Company and its subsidiaries at the price determined as per the SEBI (ESOS) Guidelines, 1999. The said scheme is



# Notes to Accounts

administered by the Compensation Committee of the Board. The Company had granted 5,17,739 stock options to eligible employees and directors of the Company at an exercise price of ₹ 10/- per share during the financial year 2009-10. The options granted under the Scheme shall vest after 12 months from the date of grant. The options vested shall be capable of being exercised within a period of 12 months from the date of vesting and the equity shares arising on exercise of options shall not be subjected to any lock-in. The options were granted to the employees at ₹ 10/- each, being the face value of the shares of the Company. In view of this, the intrinsic value on the date grant (being the excess of market price of share under the Scheme over the exercise price of the option) has been accounted by the Company. Pursuant to this, the Company had issued 159,937 shares to the eligible employees during the

year 2011-12 and 214,637 shares during 2012-13. 143,165 options were not exercised & hence, lapsed.

- 2.4 There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.
- 2.5 As the company has no qualifying assets as defined in Accounting Standard 16, amount of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset have not been capitalised.
- 2.6 In accordance with the provisions of Accounting Standard 17, the Company has only one reporting segment viz, Electronic Industry. Segmental reporting as defined is therefore not applicable.
- 2.7 Related party disclosure in accordance with Accounting standard 18 :

(Amt. in ₹)

Related Parties : Apr 12 to March 13 Party Name	Opening Balance	Transaction during the year		Closing Balance	Nature of Relation	Nature of Transaction
		Dr	Cr			
Bharat Energy Ventures Limited	19,35,49,279	-	-	19,35,49,279	Subsidiary	
BPL-FTA Energies Private Limited	(2,35,001)	2,35,001	-	-	Co. in which Directors have control	Balance written off
BPL Telecom Private Limited	3,97,315			4,08,398	Co. in which Directors have control	
1)		8,39,947				Payments made
2)		13,23,430				Revenue billed
3)			17,56,341			Payment received
4)			3,95,953			Purchase Accounted
BPL Technovision Private Limited	(27,31,111)			9,41,134	Co. in which Directors have control	
1)		13,488				Rent
2)		40,38,613				Revenue billed
3)		40,00,000				Payment made
4)			2,200			Purchase made
5)			43,77,656			Payment received
NI Micro Technologies Private Limited	36,31,990			8,37,732	Co. in which Directors have control	
1)			51,01,326			Purchase accounted
2)		23,07,068				Payment made
Dynamics Electronics Private Limited	(25,00,000)			(25,00,000)	Co. in which Directors have control	
Phoenix Holdings Private Limited	(50,69,026)			(20,41,835)	Co. in which Directors have control	
1)		30,27,191				Payment made
Electro Investment Private Limited	(82,00,000)			(82,00,000)	Co. in which Directors have control	
ER Computers Private Limited	5,52,22,384			3,05,51,631	Co. in which Directors have control	
1)		3,50,00,000				Payment made
2)			5,96,70,753			Payment received
Orion Constructions Company Private Ltd.	(16,73,604)			(16,30,903)	Co. in which Directors have control	
1)			1,65,922			Purchase accounted
2)		2,08,623				Payments made
Electronic Research Private Limited	(6,32,90,470)			(4,78,77,921)	Co. in which Directors have control	
1)			88,09,920			Rent payable accounted
2)		2,42,22,469				Payment made
Mr. Ajit G Nambiar			82,56,000	(4,01,044)	Chairman & Managing Director	Remuneration

# Notes to Accounts

2.8 The lease rentals received/ charged during the year and the obligations on operating leases are as follows:

As Lessor: (₹ in lakhs)

	31 <sup>st</sup> March	
	2013	2012
Lease rentals recognized during the period	34.18	34.73
As Lessee:		
Lease rentals paid during the period	115.92	116.49
Lease obligations payable within one year	115.92	116.49

The operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses.

2.9 No provision for tax has been made for current period in view of losses made by the Company. Deferred Tax Asset as envisaged by Accounting Standard 22 has been created by the company to the extent reasonable certainty exists for the future profitability. The components of Deferred Tax Asset are as follows:

Unabsorbed depreciation	₹ 943,090,003
Unabsorbed carry forward business loss	₹ 4,839,579,162
Total	₹ 5,782,669,165
Deferred Tax Asset	₹ 2,005,651,176
Less: Opening Deferred Tax Asset	₹ 2,404,589,677
Deferred Tax Asset for the year	₹ (399,208,501)

2.10 The amount provided by the company in the books of account towards gratuity is sufficient to cover the actuarial value of liability as certified by an

external valuer. However, due to shortage of funds, the company is yet to fund the full actuarial liability under the scheme administered by LIC of India. Contribution to Superannuation Fund (defined Contribution Plan) is yet to be funded to LIC of India due to shortage of funds. As per the agreement with employees, the company has no liability for payment of leave encashment to its employees.

- 2.11 The company has obtained confirmation of balances from its debtors. The balances due to creditors including Group Companies are subject to confirmation/ reconciliation.
- 2.12 Extra-Ordinary item of ₹ 38.18 lakhs in the Statement of Profit and Loss represents the write back of Provision for Expenses made during earlier years.
- 2.13 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter A40400111-CL-VII dated 24th April, 2009.
- 2.14 Previous year's figures have been regrouped/ reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.
- 2.15 Reconciliation of Basic and Diluted Shares used in computing Earning per Share

	31 <sup>st</sup> March	
	2013	2012
No. of shares considered as basic weighted average		
Shares outstanding	4,88,84,818	4,86,70,181
Add: Effect of Stock Options	-	3,41,067
No. of shares considered as weighted average shares and potential shares outstanding	4,88,84,818	4,90,11,248

As per our report attached  
for **T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

For and on behalf of the Board of Directors

**Ajit G Nambiar**  
Chairman & Managing Director

**Capt. S Prabhala**  
Director

**Manoj U Nambiar**  
Chief Financial Officer

**Srinath Maniyal M**  
Company Secretary

# Disclosures on Subsidiaries of the Company

Disclosures made in respect of a Subsidiary Company pursuant to the General Circular No.2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, for the year ended 31<sup>st</sup> March, 2013

(₹ in lakhs)

1.	Name of the Subsidiary	Bharat Energy Ventures Limited
a)	Capital	15694.97
b)	Reserves	55.87
c)	Total Assets	17542.99
d)	Total Liabilities	17542.99
e)	Details of Investments (except in case investment in the subsidiaries )	11586.55*
f)	Turnover	Nil
g)	Profit before Taxation	(270.67)
h)	Provision for Taxation	NA
i)	Profit after Taxation	(270.67)
j)	Proposed Dividend	NA

\* represents investment of 11,58,65,520 equity shares of ₹ 10/- each, fully paid up in BPL Power Projects (AP) Private Limited.

## Independent Auditors' Report

To Board of Directors of BPL Limited,

We have audited the accompanying Consolidated financial statements of BPL Limited ("the company") and its subsidiaries, which comprise of the Balance Sheet as at March 31, 2013, and the consolidated statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting policies generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control system relevant to the preparation and presentation of consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the company's preparation and presentation of consolidated financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the

management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe, that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

*The Company has not consolidated the financial statements of its subsidiary - M/s BPL Power Projects (AP) Private Limited it acquired during the year, because it has not yet been able to ascertain the fair values of assets and liabilities of the subsidiary as at the acquisition date. This acquisition is therefore accounted for as an investment. As per accounting principles generally accepted in India, the subsidiary should have been consolidated because it is controlled by the holding company. The effects on the consolidated financial statements of the failure to consolidate have not been determined.*

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matters mentioned in Basis for qualified opinion paragraph above*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- in the case of the Consolidated cash flow statement, of the cash flows for the year ended on that date.

For T Velupillai & Co.,  
Chartered Accountants  
Firm Registration No.0045925

Bangalore  
30<sup>th</sup> May, 2013

M S Ram(26687)  
Partner

# Consolidated Balance Sheet

(₹)

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	3	236,05,76,043	235,55,31,450
(b) Reserves and Surplus	4	131,56,05,890	140,64,59,240
(2) Share Application Money - pending allotment		13,96,34,647	13,28,50,000
(3) Non-Current Liabilities	5		
(a) Long-term borrowings		23,00,00,000	48,00,00,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		14,49,01,286	16,64,18,682
(d) Long term provisions		4,96,12,511	4,69,23,804
(4) Current Liabilities	6		
(a) Short term borrowings		10,00,000	10,00,000
(b) Trade payables		11,97,19,819	19,40,02,084
(c) Other current liabilities		20,36,42,066	9,72,83,530
(d) Short-term provisions		19,776	19,776
<b>Total</b>		<b>456,47,12,038</b>	<b>488,04,88,566</b>
<b>II. ASSETS</b>			
(1) Non-Current assets			
(a) Fixed assets	7		
(i) Tangible assets		20,63,78,614	26,68,99,823
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		-	18,89,51,367
(iv) Intangible assets under development		-	-
(b) Non-Current investments	8	174,78,14,104	115,86,65,200
(c) Deferred tax assets (net)	9	200,50,41,176	240,42,49,677
(d) Long term loans and advances	10	5,94,17,170	45,69,12,940
(e) Other non-current assets	11	15,85,34,625	6,90,19,496
(2) Current assets			
(a) Current investments	12	-	-
(b) Inventories	13	8,06,77,696	9,42,98,899
(c) Trade receivables	14	18,39,08,856	12,94,93,905
(d) Cash and cash equivalents	15	7,07,74,432	5,68,88,016
(e) Short-term loans and advances	16	5,15,48,314	5,49,97,704
(f) Other current assets	17	6,17,051	1,11,539
<b>Total</b>		<b>456,47,12,038</b>	<b>488,04,88,566</b>
Contingent Liabilities and Commitments	18	62,71,61,076	49,66,14,781
Significant Accounting Policies & Notes on Accounts	1 & 2		

As per our report attached

For and on behalf of the Board of Directors

**for T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary

# Consolidated Statement of Profit and Loss

(₹)

Particulars	Note No	For the year ended	
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
I. Revenue from operations(Gross)	19	99,32,50,385	79,37,60,178
Less : Excise duty		3,51,89,533	2,25,43,681
Revenue from Operations (Net)		95,80,60,852	77,12,16,497
II. Other Income		49,87,91,281	75,97,78,825
III. Total Revenue (I +II)		<u>145,68,52,133</u>	<u>153,09,95,322</u>
IV. Expenses:			
Cost of materials consumed	20	34,79,80,078	26,35,54,186
Purchase of Stock-in-Trade	21	34,11,86,530	29,23,99,712
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		39,81,342	(48,51,127)
Employee benefit expense	22	14,45,31,044	18,08,63,356
Financial costs	23	11,38,43,596	4,67,54,998
Depreciation and amortization expense		1,71,00,177	8,16,90,132
Other expenses	24	17,28,87,499	15,73,35,384
Total Expenses		<u>114,15,10,266</u>	<u>101,77,46,641</u>
V. Profit before exceptional and extra-ordinary items and tax (III - IV)		31,53,41,867	51,32,48,681
VI. Exceptional Items		-	(28,07,260)
VII. Profit before extra-ordinary items and tax (V - VI)		31,53,41,867	51,04,41,421
VIII. Extra-ordinary Items		38,18,643	(2,00,69,751)
IX. Profit before tax (VII - VIII)		31,91,60,510	49,03,71,670
X. Tax expense:			
(1) Current tax		(380,00,00.00)	-
(2) Deferred tax		(39,92,08,501)	8,94,62,145
XI. Profit (Loss) from the period from continuing operations		(8,38,47,991)	57,98,33,815
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Share of Minority Interest		28,98,223	41,19,654
XIV. Tax expense of discounting operations		-	-
XV. Profit / (Loss) from Discontinuing operations		-	-
XVI. Profit / (Loss) for the period		<u>(8,67,46,214)</u>	<u>58,39,53,469</u>
XVII. Earning per equity share:			
(1) Basic		(1.8)	13.5
(2) Diluted		(1.8)	13.4
No. of Equity Shares		4,88,84,818	4,86,70,181
No. of shares with stock option outstanding		-	3,41,067

As per our report attached

For and on behalf of the Board of Directors

**for T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 004592S

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary



# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>3. Shareholder's Funds</b>		
<b>Share Capital</b>		
<b>3.1 Equity Share Capital</b>		
3.1.1 Authorised Equity Share Capital : 5,50,00,000 Shares (5,50,00,000 Shares) of ₹10/- each	55,00,00,000	55,00,00,000
3.1.2 Issued, Subscribed and fully Paid-Up : 4,88,84,818 Shares (4,86,70,181 Shares) of ₹10/- each	48,88,48,180	48,67,01,810
3.1.3 There are no shares that have been issued, subscribed and not fully paid-up.		
3.1.4 Forfeited Shares	9,750	9,750
3.1.5 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	-	3,41,067
3.1.6 Number of Equity Shares outstanding as at the beginning of the period	4,86,70,181	4,85,10,244
Number of Equity Shares outstanding as at the end of the period	4,88,84,818	4,86,70,181
Shares issued on exercise of Employees Stock Options	2,14,637	1,59,937
3.1.7 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 3.6		
Total - Equity Share Capital	<u>48,88,57,930</u>	<u>48,67,11,560</u>
<b>3.2 Preference Share Capital</b>		
3.2.1 Authorised Preference Share Capital: 1,70,00,000 Shares (1,70,00,000 Shares) of ₹ 100/- each	170,00,00,000	170,00,00,000
3.2.2 Issued, Subscribed and fully paid-up: 1,69,58,682 Shares (1,69,58,682 Shares) of ₹ 100/- each	169,58,68,200	169,58,68,200
Total - Preference Share Capital	<u>169,58,68,200</u>	<u>169,58,68,200</u>
<b>3.3 Share of Minority interest</b>	17,58,49,913	17,29,51,690
<b>3.4 Notes on Share Capital</b>		
3.4.1 The Company has not issued any securities convertible into equity/preference shares.		
3.4.2 There are no rights, preferences and restrictions attaching to class of shares mentioned above.		
3.4.3 During any of the last five years ending 31 <sup>st</sup> March, 2007 : No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash. No shares were allotted as fully paid-up by way of bonus shares. No shares were bought back.		
<b>3.5 Cross References to Notes under other heads - Nil</b>		

# Consolidated Notes forming part of Balance Sheet

(₹)

## 3.6 Shareholders holding 5% and above stake in the company

### a) Equity Shares

Sl. No.	Name	31st March, 2013		31st March, 2012	
		No. of Shares	% to the total Equity Capital	No. of Shares	% to the total Equity Capital
1.	Electro Investment Private Limited	2,31,02,544	47.26	2,31,02,544	47.47
2.	Merino Finance Private Limited	30,77,500	6.30	30,77,500	6.32
3.	E R Computers Private Limited	25,51,000	5.22	25,51,000	5.24

### b) Preference Shares

Sl. No.	Name	No. of Shares	% to the total Preference Capital	No. of Shares	% to the total Preference Capital
1.	ICICI Bank Limited	-	-	65,37,837	38.55
2.	Pegasus Assets Reconstruction Private Limited	-	-	40,11,432	23.65
3.	ER Computers Pvt Ltd	73,71,837	43.47	-	-
4.	Electro Investment Pvt Ltd	15,76,222	9.29	-	-
5.	Namfil Finance Co Pvt Ltd	13,23,728	7.81	-	-
6.	Merino Finance Pvt Ltd	9,80,429	5.78	-	-
7.	Oriental Bank of Commerce	20,00,000	11.79	20,00,000	11.79
8.	Canara Bank	18,07,033	10.66	18,07,033	10.66

## 4. Reserves and Surplus

### 4.1 Reserves

Description	Balance as at 31 <sup>st</sup> March, 2012	Additions	Deductions	Balance as at 31 <sup>st</sup> March, 2013
Capital Redemption Reserve	53,33,00,000	-	-	53,33,00,000
Capital Reserve	49,800	-	-	49,800
Special Reserve	55,87,430	-	-	55,87,430
Share Premium Account	183,48,00,981	61,27,886	-	184,09,28,868
Employees Stock Options Outstanding Account	1,02,15,247	-	1,02,15,247	-
<b>Total</b>	<b>238,39,53,458</b>	<b>61,27,886</b>	<b>1,02,15,247</b>	<b>237,98,66,098</b>

### 4.2 Surplus

Opening Surplus i.e., Balance in Statement of Profit and Loss	(1,56,14,27,911)			(97,74,94,218)
Add : Profit for the period as per XV of Statement of Profit and Loss	58,39,53,469			(8,67,46,214)
Less : Dividend on Preference Shares	16,959			16,959
Final Dividend @ 0.001%				
Tax on Preference Dividend	2,817			2,817
Closing Surplus i.e., Balance in Statement of Profit and Loss	(97,74,94,218)	-	-	(106,42,60,208)
<b>4.3 Total - Reserves and Surplus</b>	<b>140,64,59,240</b>	<b>61,27,886</b>	<b>1,02,15,247</b>	<b>131,56,05,890</b>

### 4.4 Cross References to Notes under other heads : Nil

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>5. Non-Current Liabilities</b>		
5.1 Long Term Borrowing		
Secured		
Non-Convertible Debentures	23,00,00,000	23,00,00,000
Total - Secured Long Term Borrowings	23,00,00,000	23,00,00,000
5.1.1 Unsecured		
Other loans and advances	-	25,00,00,000
Total - Unsecured Long Term Borrowings	-	25,00,00,000
5.1.2 Total - Long Term Borrowings	<u>23,00,00,000</u>	<u>48,00,00,000</u>
5.1.3 Notes on Long Term Borrowings		
2,300 Nos of 35% Non-Convertible Debentures of ₹ 1,00,000/-each (₹ 23 crores) redeemable at par after maturity of 36 months from 29.03.2012, are secured by pledge of 115864820 equity shares held by the subsidiary company(BEVL) in BPL Power projects (AP) Pvt Ltd and personal guarantee of a director.		
5.1.4 Cross References to Notes under other heads : Nil		
5.2 Other Long Term Liabilities		
Trade Payables*	14,49,01,286	16,64,18,682
Other Long Term Liabilities	-	-
Total - Other Long Term Liabilities	<u>14,49,01,286</u>	<u>16,64,18,682</u>
5.3 Long Term Provision		
Provision for employees - Gratuity/Superannuation	4,96,12,511	4,69,23,804
Other Provision		
Total - Long Term Provision	4,96,12,511	4,69,23,804
Total - Non Current Liabilities	<u>42,45,13,797</u>	<u>69,33,42,486</u>
<b>6. Current Liabilities</b>		
Short Term Borrowings		
Secured		
Total - Secured short Term Borrowings	-	-
Unsecured		
Other loans and advances	10,00,000	10,00,000
Total - Unsecured Short Term Borrowings	-	-
Total - Short Term Borrowings	<u>10,00,000</u>	<u>10,00,000</u>

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>6.1 Trade Payables</b>		
Trade Payables	5,80,38,923	136,273,627
Others	6,16,80,896	57,728,456
<b>Total - Trade Payables</b>	<b>11,97,19,819</b>	<b>194,002,084</b>
<b>6.2 Other Current Liabilities</b>		
Trade Deposit & Advances	3,37,18,591	2,52,82,875
Income received in advance	1,15,61,053	1,11,08,384
Sales Tax & withholding taxes payable	14,17,77,862	4,66,62,792
Employees- Salaries & Benefits	1,65,84,561	1,42,29,479
<b>Total - Other Current Liabilities</b>	<b>20,36,42,066</b>	<b>9,72,83,530</b>
<b>6.3 Short Term Provisions</b>		
Provision for Preference Dividend	19,776	19,776
<b>Total Short Term Provisions</b>	<b>19,776</b>	<b>19,776</b>
<b>Total - Current Liabilities</b>	<b>32,43,81,662</b>	<b>29,23,05,390</b>

## 7. Non - Current Assets

Description	Gross Block				Depreciation				Net Block	
	As at 31 <sup>st</sup> March, 2012	Additions	Deletions	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	For the year	Deletions	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>7.1 Tangible Assets</b>										
Land	5,78,46,175		20,94,811	5,57,51,364					5,57,51,364	5,78,46,175
Buildings	28,48,24,617		8,27,01,052	20,21,23,565	13,72,27,560	62,82,498	3,38,81,716	10,96,28,342	9,24,95,223	14,75,97,056
Plant & Equipments	9,45,68,144	68,26,801	3,05,760	10,10,89,185	5,65,75,125	61,97,319	2,64,603	6,25,07,841	3,85,81,344	3,79,93,019
Office Equipments	9,62,73,904	8,55,567		9,71,29,471	8,73,48,528	21,96,667		8,95,45,195	75,84,276	89,25,376
Furniture & Fixtures	16,82,76,234			16,82,76,234	15,80,21,498	15,46,660		15,95,68,158	87,08,076	1,02,54,736
Vehicles	3,55,05,500		6,09,301	3,48,96,199	3,29,96,009	4,47,114	1,65,404	3,32,77,719	16,18,480	25,09,491
Research and Developmental Expenditure	13,41,02,441	2,95,800		13,43,98,241	13,23,28,471	4,29,919		13,27,58,390	16,39,851	17,73,970
<b>Total Tangible &amp; Intangible Assets</b>	<b>87,13,97,015</b>	<b>79,78,168</b>	<b>8,57,10,924</b>	<b>79,36,64,259</b>	<b>60,44,97,191</b>	<b>1,71,00,177</b>	<b>3,43,11,723</b>	<b>58,72,85,645</b>	<b>20,63,78,614</b>	<b>26,68,99,823</b>
Previous year	224,22,35,253	25,75,793	137,34,14,031	871,397,015	151,84,56,217	7,88,60,432	99,54,82,899	60,44,97,192	26,68,99,823	72,11,15,595
Capital Work in Progress										18,89,51,367
<b>Total - Non current assets</b>				<b>79,36,64,259</b>					<b>20,63,78,614</b>	<b>45,58,51,190</b>

7.2 Pursuant to settlement agreement with M/s Peagasus Assets Reconstruction Pvt. Ltd., some of the assets comprising of Land and Building are held by them as security against indemnity obligations surviving till 29th March 2014. Assets so secured are: Residential Properties at Poonam Chambers, Mumbai, Ashok Bhavan, New Delhi, Land and Building at Doddaballapur Taluk, Bangalore and Land and Building at Somanahally Industrial Area, Mandya District.

7.3 The Company has created a charge in favour of M/s Asia Pragati Capfin Pvt Ltd. (APCL) New Delhi, on the following immovable properties which are offered as collateral security on behalf of its subsidiary-Bharat Energy Ventures Ltd. (BEVL) in connection with issue of non-cumulative debentures of Rs 23 Crores by BEVL to APCL.

- Land situated at Survey No. 89 together with buildings & structures thereon situated at Cheemasandra Village, Bidarahalli Hobli, Hoskote Taluk, Bangalore Dist.
- Land situated at Survey No. 56/ 57 of Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bangalore Dist.
- Land together with buildings and structures at plot no. 7 (part) at Survey No. 598 situated at Annupparpalayam Village, Ward NO. 5 (New No. 7) Coimbatore Town.

# Consolidated Notes forming part of Balance Sheet

(₹)				
Particulars	No. of Shares	31 <sup>st</sup> March, 2013	No. of Shares	31 <sup>st</sup> March, 2012
<b>8. Non-Current Investments</b>				
8.1 Trade Investments (Refer 8.4) (At Cost)				
Investment in Subsidiary companies	-	-	-	-
Total Trade Investment		-		-
8.2 Other Investments (Refer 8.5) (At Cost)				
Investment in Partnership Firms		3,88,04,549		3,88,04,549
Investment in Joint Ventures	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
Investments in Traded Companies - Quoted	4,15,000	1,14,93,325	4,15,000	1,14,93,325
Investments in Traded Companies - Un-quoted	1,58,00,980	235,56,47,512	1,58,00,980	176,64,98,608
Total - Other Investments		<u>263,28,45,386</u>		<u>204,36,96,482</u>
8.3 Total of 8.1 and 8.2				
Less: Provision for diminution in the value of investments		88,50,31,282		88,50,31,282
Total - Trade Investments & Other Investments		1,74,78,14,104		115,86,65,200
8.4 Details of Other Investments				
8.4.1 Equity Instruments - Fully Paid - Quoted				
8.4.2 General Information				
Aggregate value of investments : Unquoted at Cost		174,78,14,104		115,86,65,200
8.5 Details of Other Investment				
8.5.1 Investments Traded Companies - Quoted				
Equity Investments - Fully Paid - Quoted				
B S Appliances Limited :				
81,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil)	81,000	33,50,375	81,000	33,50,375
BPL Engineering Limited :				
3,34,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil)	3,34,000	81,42,950	3,34,000	81,42,950
8.5.2 Investments Traded Companies - Un-quoted				
Equity Instruments - Fully Paid - Un-quoted				
BPL Telecom Private Limited :				
25,96,980 Equity Shares of ₹ 10/- each, fully paid-up	25,96,980	21,59,58,986	25,96,980	21,59,58,986
BPL Management Services Limited :				
89,91,000 Equity Shares of ₹ 10/- each, fully paid-up	89,91,000	8,99,09,910	89,91,000	8,99,09,910
BPL Techno Vision Private Limited				
1,000 Equity Shares of ₹ 10/- each, fully paid-up	1,000	10,000	1,000	10,000
Electronic Research Pvt Limited :				

# Consolidated Notes forming part of Balance Sheet

(₹)				
Particulars	No. of Shares	31 <sup>st</sup> March, 2013	No. of Shares	31 <sup>st</sup> March, 2012
35,75,000 Equity Shares of ₹ 10/- each fully paid-up	35,75,000	3,57,50,000	35,75,000	3,57,50,000
Kleer Industries Inc. (USA) :				
87,000 Shares of 7 USD each	87,000	2,05,99,443	87,000	2,05,99,443
5,50,000 Shares of 10 USD each	5,50,000	24,56,15,069	5,50,000	24,56,15,069
BPL Power Projects (AP) Private Limited	18,73,63,013	17,478,04,104	11,58,65,520	115,86,55,200
<b>8.5.3 Joint Venture Companies</b>				
Equity Instruments - Fully Paid - Un-quoted Sanyo BPL Private Limited :				
2,26,90,000 Equity Shares of ₹ 10/- each fully paid-up	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
<b>8.5.4 Investment in Partnership Firms</b>				
Kodi Properties and Finance		3,78,41,790		3,78,41,790
Wellworth Electronics		9,62,759		9,62,759
<b>Particulars</b>		<b>31<sup>st</sup> March, 2013</b>		<b>31<sup>st</sup> March, 2012</b>
<b>9. Deferred Tax Assets (Net)</b>				
9.1 Assets				
Others		200,50,41,176		240,42,49,677
9.2 Net Deferred Tax asset		200,50,41,176		240,42,49,677
<b>10. Long Term Loans and Advances</b>				
10.1 Loans and advances to related parties (Ref 10.6)				
Secured, considered good				
Unsecured, considered good		5,94,17,170		45,69,12,940
Total Loans and advances to related parties		5,94,17,170		45,69,12,940
Other loans and advances (specify nature)				
Total other Loans and Advances		-		-
10.2 Total of Long Term Loans and Advances		5,94,17,170		45,69,12,940
Long term Loans and Advances due by Directors/ Officers - NIL				
<b>11. Other Non-Current Assets</b>				
11.1 Others (Security Deposit)				
Secured, considered good				
Unsecured considered good		15,85,34,625		6,90,19,496
Considered Doubtful				
Less : Provision for doubtful deposits				
Total Security Deposits		15,85,34,625		6,90,19,496
11.2 Total of Other Non-Current Assets		15,85,34,625		6,90,19,496
<b>12. Current Investment</b>				
		-		-



# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>13. Inventories</b>		
13.1 Valued at Lower of Cost or Realisable value		
Raw Materials	2,62,37,326	3,25,58,459
Work in Progress	88,48,066	77,31,456
Finished Goods	1,94,00,363	2,44,98,315
Stores and Spares	<u>2,61,91,941</u>	<u>2,95,10,669</u>
Total - Inventories	<u>8,06,77,696</u>	<u>9,42,98,899</u>
<b>14. Trade Receivables</b>		
14.1 Outstanding for a period more than six months from the due date of payment		
Unsecured considered good	14,94,303	
Unsecured, considered doubtful	17,28,009	40,67,223
Less: Provision for doubtful receivables	<u>17,28,009</u>	<u>40,67,223</u>
	14,94,303	-
14.2 Other Trade Receivables outstanding for a period less than six months from due date of payment		
Unsecured, considered good	<u>18,24,14,552</u>	<u>12,94,93,905</u>
Total - Trade Receivables	<u>18,39,08,856</u>	<u>12,94,93,905</u>
<b>15. Cash and Bank Balances</b>		
15.1 Cash and Cash equivalents		
Cash on hand	1,94,268	1,41,062
Total - Cash and Cash equivalents	1,94,268	1,41,062
15.2 Other Bank Balances		
includes Earmarked balances:		
Bank Balances		
- in Current Accounts	3,80,82,120	2,42,58,645
- in Deposits Accounts	3,24,98,044	3,24,88,309
Total Bank Balances	7,05,80,164	5,67,46,954
Total of Cash and Bank Balances	<u>7,07,74,432</u>	<u>5,68,88,016</u>
<b>16. Short Term Loans and Advances</b>		
16.1 Advance payment of income tax & wealth tax (including TDS)	4,57,37,829	5,14,91,376
16.2 Deposits/Balances with Excise / Sales Tax Authorities	39,76,610	23,92,094
16.3 Loans & Advances to Employees	18,33,876	11,14,234
16.4 Total - Short Term Loans and Advances	<u>5,15,48,314</u>	<u>5,49,97,704</u>
<b>17. Other Current Assets</b>		
Interest Accrued	6,17,051	1,11,539
Other Current Assets	<u>6,17,051</u>	<u>1,11,539</u>

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
<b>18. Contingent Liabilities and Commitments</b>				
18.1 Contingent Liabilities				
Claims against the company not acknowledged as debt				
Cental Excise		4,90,23,392		4,90,23,392
Customs		6,65,66,447		6,68,77,345
Service Tax		98,48,238		98,48,238
Sales Tax		30,17,22,999		17,08,65,806
Guarantees		20,00,00,000		20,00,00,000
Total		<u>62,71,61,076</u>		<u>49,66,14,781</u>
18.2 Commitments				
As per CDR Scheme, lenders have a recompense clause for economic loss due to restructuring, which would be met out of any future cash flows of the Company. It is not possible to quantify the liability, if any, that may arise.				
Other Notes to Balance Sheet				
In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet				
<b>19. Revenue</b>				
19.1 Revenue from Operations				
Sale of Products	99,32,50,385		77,73,66,626	
Sale of Services	-		1,63,93,552	
Other Operating Revenue				
Less: Excise Duty	3,51,89,533		2,25,43,681	
Net Sales		95,80,60,852		77,12,16,497
19.2 Other Income				
Interest Income	24,46,543	24,46,543	20,49,192	20,49,192
Income from projects		<u>11,10,68,021</u>		-
Net gain / loss on sale of Fixed Assets	37,34,83,513	74,51,77,228	74,51,77,228	74,51,77,228
Other non-operating income - Net	1,10,69,153	1,10,69,153	1,20,61,941	1,20,61,941
Other than non-operating income - Net	7,24,051	7,24,051	4,90,464	4,90,464
Total - Other Income		<u>49,87,91,281</u>		<u>75,97,78,825</u>

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
<b>20. Raw Materials Consumed</b>				
Opening Stock	3,25,58,459		2,62,71,466	
Raw & Process Material Purchased	26,94,12,447		20,88,72,491	
Power & Fuel	97,32,070		76,03,824	
Stores, Spares & Packing Materials Consumed	6,25,14,428		5,33,64,864	
Closing Stock	(2,62,37,326)		(3,25,58,459)	
Total - Raw materials consumed		<u>34,79,80,078</u>		<u>26,35,54,186</u>
<b>21. Purchase of Stock-in-Trade</b>	34,11,86,530	34,11,86,530	29,23,99,712	29,23,99,712
Changes in Inventories				
Stock at Opening - Finished Goods	2,44,98,315		1,83,41,519	
Stock at Opening - Work in Process	77,31,456		90,37,125	
Total - Opening Stock		<u>3,22,29,771</u>		<u>2,73,78,644</u>
Stock at Closing - Finished Goods	1,94,00,363		2,44,98,315	
Stock at Closing - Work in Process	88,48,066		77,31,456	
Total - Closing Stock		<u>2,82,48,429</u>		<u>3,22,29,771</u>
(Increase)/Decrease in Stocks		39,81,342		(48,51,127)
<b>22. Employee Benefits</b>				
Salaries and Wages	12,37,48,119		15,24,59,794	
Contribution to Provident and other funds	87,37,170		1,67,59,367	
Director's Remuneration	82,56,000		82,56,000	
Staff Welfare Expenses	37,89,755		33,88,195	
Total - Employee Benefits		<u>14,45,31,044</u>		<u>18,08,63,356</u>
<b>23. Finance Costs</b>				
Interest on Non-Cumulative Debentures	8,09,41,096			
Interest Expenses on Term Loans	-		1,28,121	
Interest on Overdraft/Others	2,90,33,783		4,39,79,302	
Other Borrowing Cost	38,68,717		26,47,575	
Total - Finance Costs		<u>11,38,43,596</u>		<u>4,67,54,998</u>
<b>24. Other Expenses</b>				
Advertisemet & Publicity	57,99,451		28,22,978	
Auditors Remuneration	12,65,099		8,29,919	
Bad Debts Written Off	17,21,746		11,82,824	
Selling Expenses	36,23,839		38,24,339	
Commission on Sales	45,83,752		49,01,585	
Communication Expenses	96,28,520		90,42,715	
Conveyance & Travelling	2,76,81,723		2,73,55,111	
Directors' Sitting Fees	2,70,000		2,05,000	

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2013		31 <sup>st</sup> March, 2012	
Discounts & AMC reimbursement	1,83,92,246		1,62,25,353	
Donations	50,000		200	
Foreign Exchange Fluctuation	12,88,255		9,25,980	
Freight Charges	1,58,98,992		1,21,57,537	
Insurance Expenses	42,41,969		46,41,720	
Legal & Professional	2,30,11,702		2,47,35,187	
Miscellaneous Expenses	4,71,754		14,22,692	
Office Maintenance	1,87,61,655		1,72,00,139	
Printing & Stationery	16,60,582		15,96,117	
Rates & Taxes	68,27,839		88,49,491	
Rent	1,64,32,546		1,63,82,206	
Repair & Maintenance - P&M	27,47,614		13,11,999	
Staff Recruitment & Training	1,64,012		7,63,072	
Vehicle Operating Expenses	10,96,825		9,59,220	
Advance written off	72,67,379		-	
Total - Other Expenses		<u>17,28,87,499</u>		<u>15,73,35,384</u>
24.1 Auditors' Remuneration				
Audit Fees	7,08,635		5,50,000	
Tax Audit Fees	75,000		1,00,000	
Reimbursement of Expenses	40,000		35,000	
Taxation matters	3,00,000		5,000	
Certification Charges	50,000		50,000	
Service Tax	91,464		89,919	
Total		<u>12,65,099</u>		<u>8,29,919</u>

# Consolidated Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before exceptional, extra-ordinary items and tax	31,53,41,867	51,32,48,681
<i>Adjustments for:</i>		
Depreciation and amortisation	1,71,00,177	7,88,60,432
Provision for impairment of fixed assets and intangibles		
Amortisation of share issue expenses and discount of shares		
(Profit) / loss on sale / write off of assets	(37,34,83,513)	(74,51,77,228)
Expense on Employees Stock Option Scheme	(40,87,361)	89,90,360
Finance costs	11,38,43,596	4,67,54,998
Interest income	(24,46,543)	(20,49,192)
Share of profit from partnership firms		
Liabilities / provisions no longer required written back		
Adjustment to the carrying amount of investment		
Provision for doubtful trade and other receivables, loans and advances	-	(28,07,260)
	(24,90,73,644)	(61,54,27,890)
Operating profit / (loss) before working capital changes	6,62,68,222	(10,21,79,209)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	1,36,21,203	(1,00,39,320)
Trade receivables	(5,44,14,950)	4,79,97,265
Short-term loans and advances	17,06,046	6,45,770
Long-term loans and advances	39,74,95,770	(31,68,75,726)
Other current assets	(505,512)	(1,11,539)
Other non-current assets	(8,95,15,129)	(12,86,061)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(7,42,82,264)	62,08,383
Other current liabilities	10,63,58,536	(1,77,41,324)
Other long-term liabilities	(2,15,17,396)	(8,59,18,337)
Short-term provisions		-
Long-term provisions	26,88,707	20,56,415
	28,16,35,011	(37,50,64,474)
	34,79,03,233	(47,72,43,683)

# Consolidated Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
Cash flow from extra-ordinary items		
Cash generated from operations	34,79,03,233	(47,72,43,683)
Net income tax (paid) / refunds	17,61,988	(23,40,080)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>34,96,65,221</b>	<b>(47,95,83,763)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(79,78,168)	(25,75,793)
Proceeds from sale of fixed assets	61,38,34,080	112,31,08,361
Interest received	24,46,543	20,49,192
Investments	(58,91,48,905)	
Cash flow from extra-ordinary items		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>1,91,53,550</b>	<b>112,25,81,760</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	50,44,593	15,99,370
Repayment of long-term borrowings	(25,00,00,000)	(88,87,78,796)
Proceeds from other short-term borrowings	-	35,00,00,000
Repayment of other short-term borrowings	-	(4,66,33,315)
Finance cost	(11,38,43,596)	(46,754,998)
Minority Interest	(28,98,223)	-
Advance for Share Capital	67,84,647	13,00,000
Dividends paid	(16,959)	(16,959)
Tax on dividend	(2,817)	(2,817)
Cash flow from extra-ordinary items		
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(35,49,32,355)</b>	<b>(62,92,87,515)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,38,86,417</b>	<b>1,37,10,482</b>
Cash and cash equivalents at the beginning of the year	5,68,88,016	4,31,77,534
Cash and cash equivalents at the end of the year	<b>7,07,74,432</b>	<b>5,68,88,016</b>

As per our report attached

for **T Velupillai & Co**  
Chartered Accountants  
Firm's Registration No: 0045925

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2013

For and on behalf of the Board of Directors

**Ajit G Nambiar**  
Chairman & Managing Director

**Capt. S Prabhala**  
Director

**Manoj U Nambiar**  
Chief Financial Officer

**Srinath Maniyal M**  
Company Secretary



# Consolidated Notes to Accounts

Notes attached to and forming part of the Consolidated Accounts for the period ended 31<sup>st</sup> March, 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 General

The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

### 1.2 Fixed Assets

Fixed Assets, except Land and Building which were revalued as on 30.04.85, are stated at their original cost of acquisition including incidental expenditure related thereto, taxes, duties other than modvat credit availed and installation expenses. Net surplus or deficiency that arise when an asset is disposed/discarded/demolished/destroyed, are duly accounted.

### 1.3 Depreciation

Depreciation on Fixed Assets are provided on straight line method at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

### 1.4 Investments

Investments are stated at cost. Provisions are made to recognize permanent diminution in the value of Investments.

### 1.5 Inventories

Inventories are valued as under:

Finished Good : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

Materials, Components & Spares : At weighted average cost including taxes & duties

Goods in transit : At cost

### 1.6 Foreign Currency Transaction

Transactions in Foreign Currency, other than those covered by forward contracts are accounted at exchange rates prevailing on the date of the transaction. Assets and liabilities in foreign currency not covered by forward contracts, are translated at exchange rate prevailing on the date of the balance sheet. The Net loss, if any, on conversion is charged to revenue/ asset account but gains if insignificant is not accounted for.

### 1.7 Research and Development

Fixed Assets purchased for Research and Development are capitalised and depreciated as per the Company's policy.

### 1.8 Retirement Benefit

Contribution to recognised Provident Fund is made at predetermined rates. The company has an arrangement with Life Insurance Corporation of India to administer its Gratuity and Superannuation Schemes.

### 1.9 Borrowing Cost

Borrowing Cost directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

## 1.10 Revenue Recognition

Revenue in respect of Sale of Products is recognised when goods are supplied to customers.

Revenue from AMC Income is recognized on time proportion basis. Service Income is accounted as and when services are rendered. Dividend income on Investments is accounted when the right to receive the payment is established. Interest income is recognised on a time proportionate basis considering the amount outstanding and rate applicable. Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

## 1.11 Contingent Liability

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which are adequately disclosed in accounts.

## 1.12 Basis of Consolidation

The Consolidated financial Statement of BPL Limited and its subsidiary, Bharat Energy Ventures Limited are prepared under historic cost convention and in accordance with Generally Accepted Accounting Principles applicable in India and Accounting Standard 21 on consolidation of financial statements issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the parent company BPL Limited for its separate financial statements. Intra group transactions resulting unrealized profits/ losses are eliminated to the extent of subsidiary's interest.

The accounts of the following Subsidiary and Joint Venture Company have not been consolidated in view of Clause 11(b) of Accounting Standard 21:

Subsidiary : BPL Display Devices Limited (under liquidation)

Joint Venture : SANYO BPL Private Limited (under voluntary winding up)

The accounts of BPL Power Projects (AP) Private Limited are not consolidated since the accounts of the company are under preparation. The management had applied to Stock Exchanges for exemption of consolidation and is awaiting the approval thereof.

## 2. NOTES ON ACCOUNTS

2.1 There are no secured loans at the end of the reporting period.

2.2 Share Capital

2.2.1 Share Capital includes 21,930 Equity Shares of ₹ 10/- each allotted as Fully Paid Up for consideration other than cash and 96,50,000 Equity Shares of ₹ 10/- each allotted as Bonus Shares by Capitalisation of General Reserve during an earlier period.

2.2.2 1,69,58,682 Non-Convertible, Non-Cumulative 0.001% Preference Shares of ₹ 100/- each, were allotted on 23rd September, 2005, pursuant to the Scheme of Arrangement approved by the Hon. High Court of Kerala, Ernakulam. Out of which, 1,41,24,682 shares are redeemable in four equal installments at the end of the 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14th year and the balance of 28,34,000 shares are redeemable in ten equal installments

# Consolidated Notes to Accounts

commencing from 31<sup>st</sup> March, 2008. The Company is yet to redeem these preference shares and the amount outstanding as on 31<sup>st</sup> March 2013 was ₹ 17.00 crores.

- 2.2.3 The Company has instituted an Employees Stock Option Plan BPL ESOS-2009 as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding 20,00,000 Options in the aggregate to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including Independent Directors of the Company and its subsidiaries at the price determined as per the SEBI (ESOS) Guidelines, 1999. The said scheme is administered by the Compensation Committee of the Board. During the year the Company has granted 5,17,739 stock options to eligible employees and directors of the Company at an exercise price of ₹ 10/- per share. The options granted under the Scheme shall vest after 12 months from the date of grant. The options vested shall be capable of being exercised within a period of 12 months from the date of vesting and the

equity shares arising on exercise of options shall not be subjected to any lock-in. The options were granted to the employees at ₹ 10/- each, being the face value of the shares of the Company. In view of this, the intrinsic value on the date grant (being the excess of market price of share under the Scheme over the exercise price of the option) has been accounted by the Company. Pursuant to this, the Company had issued 159,937 shares to the eligible employees during the year 2011-12 and 214,637 shares during 2012-13. 143,165 Options were not exercised and hence lapsed.

- 2.3 As the company has no qualifying assets as defined in Accounting Standard 16, amount of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset have not been capitalised.
- 2.4 In accordance with the provisions of Accounting Standard 17, the Company has only one reporting segment viz, Electronic Industry. Segmental reporting as defined is therefore not applicable.
- 2.5 Related Party disclosure in accordance with Accounting Standard 18:

(Amt. in ₹)

Related Parties : Apr 12 to March 13	Transaction during the year			Closing Balance	Nature of Relation	Nature of Transaction
	Party Name	Opening Balance	Dr			
BPL - FTA Energies Private Limited	(2,35,001)	2,35,001	-	-	Co. in which Directors have control	Balance written off
BPL Telecom Private Limited	3,97,315	-	-	4,08,398	Co. in which Directors have control	
1)	-	8,39,947	-	-		Payments made
2)	-	13,23,430	-	-		Revenue billed
3)	-	-	17,56,341	-		Payment received
4)	-	-	3,95,953	-		Purchase Accounted
BPL Technovision Private Limited	(27,31,111)	-	-	9,41,134	Co. in which Directors have control	
1)	-	13,488	-	-		Rent
2)	-	40,38,613	-	-		Revenue billed
3)	-	40,00,000	-	-		Payment made
4)	-	-	2,200	-		Purchase made
5)	-	-	43,77,656	-		Payment received
NI Micro Technologies Private Limited	36,31,990	-	-	8,37,732	Co. in which Directors have control	
1)	-	-	51,01,326	-		Purchase accounted
2)	-	23,07,068	-	-		Payment made
Dynamics Electronics Private Limited	(4,85,00,000)	5,78,47,587	1,18,47,587	(25,00,000)	Co. in which Directors have control	Unsecured Loan
Phoenix Holdings Private Limited	(50,69,026)	-	-	(20,41,835)	Co. in which Directors have control	
1)	-	30,27,191	-	-		Payment made
Electro Investment Private Limited	(82,00,000)	-	-	(82,00,000)	Co. in which Directors have control	
ER Computers Private Limited	5,52,22,384	-	-	3,05,51,631	Co. in which Directors have control	
1)	-	3,50,00,000	-	-		Payment made
2)	-	-	5,96,70,753	-		Payment received
Orion Constructions Company Private Ltd.	(16,73,604)	-	-	(16,30,903)	Co. in which Directors have control	
1)	-	-	1,65,922	-		Purchase accounted
2)	-	2,08,623	-	-		Payments made
Electronic Research Private Limited	(6,32,90,470)	-	-	(4,78,77,921)	Co. in which Directors have control	
1)	-	-	88,09,920	-		Rent payable accounted
2)	-	2,42,22,469	-	-		Payment made
BPL Engineering Limited	2,70,71,115	-	-	2,70,71,115	Co. in which Directors have control	
BPL Power Projects (AP) Pvt. Limited	10,88,53,991	-	-	2,73,00,529	Subsidiary	
1)	-	12,47,96,028	-	-		Revenue billed
2)	-	5,44,322	-	-		Expenses incurred
3)	-	26,29,711	-	-		Payment made
4)	-	-	39,84,74,890	-		Investment in Equity
5)	-	18,89,51,367	-	-		Capital Exp. Incurred
Mr. Ajit G Nambiar	-	-	82,56,000	(4,01,044)	Chairman & Managing Director	Remuneration

# Consolidated Notes to Accounts

- 2.6 The lease rentals received/ charged during the year and the obligations on operating leases are as follows:

As Lessor: (₹ in lakhs)

	Year ended	
	31st March 2013	31st March 2012
Lease rentals recognized during the period	34.18	34.73
As Lessee:		
Lease rentals paid during the period	164.33	163.82
Lease obligations payable within one year	164.33	163.82

The operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses

- 2.7 No Provision for tax has been made for current period in view of losses made by the Company. Deferred Tax Asset as envisaged by Accounting Standard 22 has been created by the company to the extent reasonable certainty exists for the future profitability. The components of Deferred Tax Asset are as follows:

Unabsorbed depreciation	₹ 94,30,90,003
Unabsorbed carry forward business loss	₹ 4,83,95,79,162
Total	₹ 5,78,26,69,165
Deferred Tax Asset	₹ 2,00,56,51,176
Less: Opening Deferred Tax Asset	₹ 2,40,48,59,677
Deffered Tax Asset for the year	₹ (39,92,08,501)

- 2.8 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter A40400111-CL-VII dated 24th April, 2009.

- 2.9 The Company's subsidiary is the principal investor and chief sponsor of the Ramagundam Project being set up by BPL Power Projects (AP) Private Limited (BPL Power). The Government of Andhra Pradesh, Energy Department has vide G.O. Ms. No. 51 dated 09.10.2009 agreed for reinstatement of the BPL Ramagundam Project's Power Purchase Agreement (PPA) while affording increase in project capacity to 600 MW and capping the cost of project. Pursuant to directions issued under the said GO, the project received energy regulators consent for amendments to the PPA in May 2010. As directed by the AP Energy Regulatory Commission's consent letter, BPL Power and AP DIS Coms finalized the Amendment Agreement to the PPA and are ready to execute the same. The shareholders and the directors of BPL Power are committed to recommencing the project construction activity at the earliest possible opportunity. In view of the development as stated above, the financial statements of the subsidiary company for the year ended 31st March 2013 have been prepared on a going concern basis. The Auditors of BPL Power in their report on accounts of that company for the financial year ended 31st March, 2008 have qualified the assumption of going concern as being contingent upon favourable outcome of efforts of that company in executing an amended PPA to carry on its business.

- 2.10 Pursuant to an agreement between the subsidiary company and BPL Power, the subsidiary company has agreed to assist BPL Power in carrying out certain critical areas of work in respect of the Ramagundam Project and incurring certain expenses towards including but not limited to protecting assets at site, work related to reinstatement of PPA, reinstatement of coal linkage agreement, identifying and bringing in prospective investors, finalizing Engineering, Procurement and Construction Contracts and Operation and Maintenance Contracts and thereafter, to achieve financial closure of the project.

- 2.11 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report attached

for **T Velupillai & Co**

Chartered Accountants

Firm's Registration No: 0045925

M S Ram

Partner

M. No. 026687

Bangalore

30<sup>th</sup> May, 2013

For and on behalf of the Board of Directors

**Ajit G Nambiar**

Chairman & Managing Director

**Capt. S Prabhala**

Director

**Manoj U Nambiar**

Chief Financial Officer

**Srinath Maniyal M**

Company Secretary

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<b>BPL Limited</b> Regd. Office : BPL Works, Palakkad - 678 007, Kerala		<b>ADMISSION SLIP</b>
<b>49th Annual General Meeting - 30th September, 2013</b> Venue : Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala, Time : 10.00 AM		
Folio No./Client ID No. :	No. of Shares held :	
Please ✓ Whether		
<input type="checkbox"/> MEMBER		
<input type="checkbox"/> JOINT HOLDER		
<input type="checkbox"/> PROXY		
Member's or Proxy's Signature :		
Notes:		
1. Members / Proxies must bring the admission slip duly completed and signed and hand over the same at the entrance. 2. Admission is restricted strictly for members and valid proxies only. Please bring your copy of the enclosed Annual Report. 3. Shareholders intending to require information about accounts, to be explained at the Meeting, are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.		

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<b>BPL Limited</b> Regd. Office : BPL Works, Palakkad - 678 007, Kerala		<b>PROXY FORM</b>
Folio No./Client ID No. :	No. of Shares held :	
I/We,.....		
.....		
of..... in the district of .....		
being a member / members of <b>BPL Limited</b> , hereby appoint.....of		
.....in the district of .....or		
failing him.....of		
..... in the district of .....		
as my / our proxy to vote for me / us on my / our behalf at the 49 <sup>th</sup> Annual General Meeting of the Company to be held at Palakkad on 30th September, 2013 and at any adjournment thereof.		
Signed, this..... day of September, 2013.		
Notes:		Signature.....
1. The form should be signed as per specimen signature registered with the Company. 2. The proxy form duly completed must reach the Registered Office of the Company at BPL Works, Palakkad 678 007, Kerala, atleast 48 hours before the Meeting. A Proxy need not be a member. 3. Shareholder/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.		
<b>For Office Use Only</b>	Proxy No. .:	Date of Receipt :

Affix 30 paise Revenue Stamp
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*If undelivered, please return to:  
Investors' Service Cell*

**BPL Limited**

*11th KM, Arakere,  
Bannerghatta Road,  
Bangalore 560 076*

*Visit : **www.bpl.in***