



*Happier Living Everyday*

# Annual Report 2011 - 2012

***BPL Limited***

ANNUAL REPORT 2011 - 2012

# Corporate Information

## 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

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Srinath Maniyal M

## 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*  
Mrs. Anju Chandrasekhar

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# Notice of Annual General Meeting

NOTICE is hereby given that the 48th Annual General Meeting of BPL Limited, will be held on **Wednesday, the 12<sup>th</sup> day of September, 2012** 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 Statement of Profit & Loss for the year ended 31st March, 2012 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 Capt. S Prabhala, who retires by rotation, and being eligible, offers himself, for re-election.
- 4) To appoint a Director in place of Mr. K S Prasad, 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 pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise invest in the equity and / or by redeemable cumulative preference share capital of BPL Telecom Private Limited not exceeding an aggregate amount of ₹ 40 Crores (Rupees Forty Crores only).*

*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 investment.*

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

*RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to and/or 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).*

*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 investment.*

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

*RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to and/or 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).*

*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 investment.]*

By Order of the Board

**Srinath Maniyal M**  
Company Secretary

Bangalore  
13<sup>th</sup> August, 2012

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.
3. The Register of Members and Share Transfer Books of the Company will be closed from 5<sup>th</sup> September, 2012 to 12<sup>th</sup> September, 2012 (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 i.e. 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

**Srinath Maniyal M**  
Company Secretary

Bangalore  
13<sup>th</sup> August, 2012

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

# Annexure to Notice

## ANNEXURE TO NOTICE

### 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

BPL Telecom Private Limited is engaged in the field of manufacturing Power Line Carrier Communication Terminals, Wave Traps, Protection and Outdoor Couplers, EPABXs, Push Button Telephones etc.

In order to expand business interests, reap the benefits of higher turnover by consolidating, explore potential growth and other benefits, your Company has proposed to make an additional investment aggregating to a sum not exceeding ₹ 40 Crores in the Equity and / or Redeemable Cumulative Preference Share Capital of BPL Telecom Private Limited, as part of re-organization business plans. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Except Mr. Ajit G Nambiar and Capt. S Prabhala, no other Director is concerned or interested in the Resolution.

#### ITEM NO. 7

Your Company intends to enter into a real estate business through a Wholly Owned Subsidiary to be formed and accordingly, has proposed to promote a Wholly Owned Subsidiary (WOS) of the Company for this purpose. Your Board of Directors propose to invest in the proposed WOS company up to 100% of the issued and paid up equity share capital of the WOS not exceeding an amount of ₹ 5 lakhs (Rupees Five Lakhs only)). The benefits of the proposed investment will flow back to the Company.

The WOS would allot 50,000 equity shares of ₹ 10/-each, at par, constituting 100% of its issued and paid up equity to the Company. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

In the opinion of the Directors, it is in the interest of the Company that the investment in the Wholly Owned Subsidiary Company (WOS) be made as proposed above.

Your Directors recommend the resolution for your approval.

None of Directors is concerned or interested in the Resolution.

#### ITEM NO. 8

BPL Techno Vision Private Limited is engaged in the field of manufacturing products in Consumer lighting, UPS and Inverters and Smart Home Solutions.

In order to expand the business interests, reap the benefits of higher turnover by consolidating, explore potential growth and other benefits, your Company has proposed to make an additional investment of ₹ 10 Crores in the Equity Share Capital of BPL Techno Vision Private Limited. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Except Mr. Ajit G Nambiar and Mrs. Anju Chandrasekhar, no other Director is concerned or interested in the Resolution.

### Information on Directors' seeking appointment/re-appointment at the Annual General Meeting

#### CAPT. S PRABHALA

Capt. S Prabhala, about 79 years old, is a graduate in Electrical Engineering, started his career with the Indian Navy and served for two decades during which he held several key positions. After an early retirement from Indian Navy, Capt. Prabhala joined Bharat Electronics Limited and served the company for over 16 years and was its Chairman & Managing Director when he retired in 1991. He joined the BPL Group in 1991 and has been associated with the group, in various capacities. Till some time ago, he headed Spectrum Infotech Private Limited, a company promoted by him for R&D in Electronics. Capt. Prabhala is also associated with voluntary agencies involved in environment improvement and ecology.

He is a member of the Board of Governors of Centre for Organisation Development, Hyderabad and Senior Member, Institution of Electrical & Electronic Engineers, USA. He carries with him rich experience in the management of industrial enterprises.

Capt. S Prabhala is currently on the Board of several other companies in addition to BPL Limited.

*Name of the companies in which Capt. S Prabhala is Director is furnished below:*

1. BPL Telecom Private Limited 2. BPL Power Projects (AP) Private Limited 3. BPL Engineering Limited 4. Rapsri Engineering Limited 5. Bharat Energy Ventures Limited

Capt. S Prabhala is Member of the Finance Committee, Chairman of Compensation Committee and Strategy & Operations Review Committee of BPL Limited and Chairman of Finance, Audit, Remuneration and Investors' Relation Committees of BPL Engineering Limited.

#### MR. K S PRASAD

Mr. K S Prasad, 78, has been associated with BPL for more than two decades. He is a graduate in science and holds a post-graduate diploma from Madras Institute of Technology. He brings with him extensive business experience and is a well-known coffee planter.

Mr. K S Prasad is the Chairman of Investors' Relation Committee of BPL Limited.

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

Name of the Director	No. of Board Meetings held during 2011-2012	No. of Board Meetings attended	Last AGM attendance (Yes/No)	No. of Shares held
Capt. S Prabhala	4	4	Yes	12,000
Mr. K S Prasad	4	3	No	3,38,813

Bangalore  
13<sup>th</sup> August, 2012

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

By Order of the Board

Srinath Maniyal M  
Company Secretary

# Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012. The financial highlights on the operations of the Company are as follows:

## ◆ FINANCIAL HIGHLIGHTS

(₹ in crores)

Particulars	Year ended	
	31.03.2012	31.03.2011
Net Sales and other income	153.10	229.98
Profit before Interest, Depreciation and Tax	65.54	133.31
<b>Less:</b> Interest	3.66	10.45
Depreciation	7.85	7.97
Impairment Loss on Asset	-	13.39
Provision for doubtful advances/ debts	0.28	0.15
Extra-ordinary items (net)	2.01	22.86
Profit / (Loss) before Tax	51.74	78.49
Deferred Tax Asset	8.95	(0.76)
Profit / (Loss) after Tax	60.69	77.73

## ◆ BUSINESS OVERVIEW

Despite a challenging and volatile economic environment and continuing depreciation of the rupee, your Company ended with a total income of ₹ 153.10 Crores for the year 2011-12 compared to ₹ 229.98 Crores for the previous year. The gross profit earned for the year is ₹ 65.54 Crores. After providing ₹ 7.85 Crores and ₹ 3.66 Crores towards depreciation and finance charges respectively, your Company has earned a profit (before provisions & taxation) of ₹ 54.03 Crores for the year 2011-12. The operations of the Company though, continued to be affected due to working capital constraints and lack of bank funding.

Your Company has received the **2011 Frost and Sullivan - Best Practices Award for Market Share Leadership in Value Segment of ECG Monitors**. Frost and Sullivan, a globally reputed consulting organization had recently published its market research service on "Overview of Indian ECG Equipment Market in India", based on primary and secondary research.

As per Frost and Sullivan, BPL Limited offers one of the widest and best line of products in the value segment of ECG monitors at a competitive price, and has said that the Company's in-house R&D has the ability to customize their products according to the varying needs of the customers. This makes BPL unique among its competitors. In addition, BPL's excellent after-sales service back up enables to provide one of the quickest up-time and in-service time (i.e. response time) which has paid off in setting up a strong and loyal customer base. Thus, BPL's focus on patient care with its reliable and affordable products has significantly contributed to the growth and made it a one-stop solution provider in the value segment of ECG monitor.

### ◆ 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.

## ◆ HEALTH MANAGEMENT SOLUTIONS (HMS)

### ✧ Industry structure & developments

As India's population grows and its middle class expands, the country faces a huge social and fiscal challenge - how to provide high quality affordable healthcare to over 1.2 billion people? The Government of India is working to meet several key strategic goals like, health as a right for all citizens, universal health coverage, 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 and reducing disparities in health across regions and communities by ensuring access to affordable health care. The Government's decision to make major investments in the expansion of its healthcare infrastructure is an important step in this journey.

The Health Care Industry consists of health care facilities, medical devices, diagnostic centers and medical insurance, emergency care, specialist medical care and medical tourism. It is one of India's largest business sectors in terms of revenue and employment.

The Union Budget 2012-13 has seen the excise duty increased by one percent and countervailing duty by two percent. There has been an increase in service tax from 10 percent to 12 percent, increasing the cost of installation, maintenance, and spare parts. For the common man, government initiatives like exempting ₹ 5000/- spent for preventive health check-ups from tax, healthcare

# Directors' Report and Management Discussion & Analysis

being excluded from service tax, increased funding for National Rural Health Mission, the announcement of National Urban Health Mission, and additional allocation for National Skill Development Council will certainly widen healthcare coverage and ensure better medical facilities.

## ◆ Opportunities and Threats

The Indian Health Care Industry is expected to grow at a steady rate, as substantial investments have been planned on healthcare delivery. Strong growth is expected from smaller cities and towns and calls for an effective Distribution and Service infrastructure.

In order to offer affordable solutions for changing healthcare demands, your Company launched a few frontline diagnostic products in the market. BPL launched 4 new products covering Patient Monitoring and Defibrillator segments viz. Defibrillator with Automated External Defibrillation (AED) facility, Public Access defibrillator, 8.4" display multi-parameter Patient Monitor and Infusion Pump. This is expected to improve the revenues for the Company in the coming years. In addition, the neighboring countries offer market opportunities for the business.

Today, BPL offers products in the areas of Cardio-pulmonary, Patient Monitoring, Imaging, Women and Child Care. The range of products include ECG, Defibrillator, Cardiac Analyzer, Stress Test System, Patient Monitor, Fetal & Maternal Monitor, Infusion Pump, Ultrasound and X-Ray.

## ◆ Risks & Concerns

Engineering initiatives and R&D have become increasingly important in order to mitigate the threat of obsolescence, falling prices and imports. Your Company has therefore planned significant investments in product development and is confident of maintaining its market share with competitive products, efficient operations and superior customer service.

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 have increased the competition in these segments. The companies are investing on increasing their reach through dealerships.

Depreciation of rupee has made imports expensive.

## ◆ Outlook

While your Company made a modest export of products during the period under review, it will continue to broaden customer base by strengthening the well-established network of distributors and dealers.

During the year, your Company has been re-certified for ISO13485:2003 and ISO9001:2008. It intends to certify and expand the number of products covered under CE certifications, thus making them conform to international quality standards.

The Health Care Management Business of your Company has institutionalized the Sales CRM package to enhance Sales force effectiveness and be online with the dynamics of the market. In the coming year, Service delivery would be the focus.

Several marketing activities were implemented to double your

Company's participation in customer events and to enhance the digital footprint. This is in addition to advertisements in healthcare print media, using Frost & Sullivan Award as a platform to enhance the brand perception and communication with the field team and dealer network.

## ◆ PRINTED CIRCUITS BOARD (PCB) BUSINESS

The PCB Industry consist of single sided, double sided and multi layer PCBs. The single sided PCBs caters to Lighting Segment both in CFL and LED lighting, consumer electronics, basic telecom equipments, low-end power conversion and auto electronics industry. There was small growth in the single sided PCB industry during 2011-12 due to increased demand in CFL lighting. Further, auto electronics demand is increasing month on month for LED lighting.

Your company's PCB unit is manufacturing only single sided PCBs. The unit has commenced trading of double sided & multi layer PCBs and is expected to increase this by 15% in the coming year.

In spite of US Dollar appreciation against rupee and abnormal price fluctuations in petroleum products, which are being used for laminate manufacturing, your company was able to sustain & achieve reasonable sales in PCB business.

## ◆ RISKS AND CONCERN

The profit margins diminished to some extent due to rupee devaluation, in addition to fluctuation in petroleum products prices and copper in the international market, which has directly affected the laminate prices.

## ◆ INTERNAL CONTROL AND THEIR ADEQUACY

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

The internal control systems are supplemented by extensive programme of internal audit conducted by an 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 1,59,937 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, 2012 stood at ₹ 48.67 Crores comprising 4,86,70,181 equity shares of ₹ 10/- each, fully paid up. The paid up Preference Share Capital of the Company as on 31<sup>st</sup> March, 2012 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 2011-12 stood at ₹ 159.39 Crores.

### ◆ Borrowings

Total borrowings of the Company as on 31<sup>st</sup> March, 2012 stood at ₹ 25 Crores.

# Directors' Report and Management Discussion & Analysis

## ✧ Capital Expenditure

The capital expenditure of the company for the financial year ended 31<sup>st</sup> March, 2012 was ₹ 0.25 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

The year saw the release of the White Book, a guide to all employees on policies and procedures to help them perform at their optimum. Focused employee communication imbuing mission, vision and values were also undertaken through sustained employee engagement activities. Impetus was also given on developmental activities.

## ◆ EMPLOYEES STOCK OPTION SCHEME

During the period under review, 1,59,937 options were exercised and accordingly, equity shares were allotted to the option grantees under the Employees 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 Health talks, free health check up by noted health professionals, celebration of women's day, and 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 410 employees as on March 31, 2012.

## ◆ 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, 2012, 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 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 Profit 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, 2012, on a 'going concern' basis.

## ◆ PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

## ◆ SUBSIDIARY COMPANIES

Your Company has one subsidiary Company viz. Bharat Energy Ventures Limited (BEVL).

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, Auditors Report and other related documents of subsidiary companies and accordingly, the said documents of Bharat Energy Ventures Limited, a subsidiary of your Company are not attached to the Balance Sheet of your Company. However, requirements which your Company is required to meet under the said circular, will be complied with.

Your company undertakes that the annual accounts and the related detailed information of your Company's subsidiary- BEVL will be made available to the shareholders of the Company and BEVL, who seek such information at any point of time. The annual accounts of BEVL will also be kept for inspection by any shareholders in the head office of your Company and of BEVL.

## ◆ 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.

# Directors' Report and Management Discussion & Analysis

## ◆ TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Continuous efforts have been made for developing new technologies and to innovate products for affordable healthcare.

In the coming year, your Company will be delivering results on the obsolescence management programs that are underway 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 would become part of our product line.

In the current year, your Company made foray into the area of critical patient care with the introduction of its syringe and volumetric pumps for facilitating drug delivery and by adding Automated External Defibrillator (AED) feature to its existing biphasic defibrillator.

## ◆ RESEARCH AND DEVELOPMENT (R & D)

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

The Healthcare Management Solutions Business focuses on frontline care. It has focused on in-house development of ECG, defibrillator and patient monitoring products in the primary care area. These products incorporate state of the art technologies and also are built to perform under rigorous working conditions, pan-India. In the coming year, your Company plans to enter the high end spectrum of ECG & Patient Monitoring Devices with an in-house developed A4 ECG system and five parameter monitors with touch screen capability, which are dominated by multinational companies.

### ✧ Future Plans of Action

In line with the Product development road map and to put the Healthcare Management Solutions Business on a fast track and to strengthen and improve its products portfolio, BPL HMS will continue to collaborate with global technology companies in order to bring appropriate technologies. These products will drive the cost of healthcare down by promoting early stage diagnosis. To offer affordable solutions to the medical fraternity, your Company would continue to enhance its customer reach and service capabilities at the front end while becoming operationally more effective.

### ✧ R&D Expenditure

The Capital and Revenue Expenditure on R&D during the year amounted to ₹ 1.66 lakhs & ₹ 82.88 lakhs respectively, which is 0.55% of the turnover.

## ◆ EXPORT INCENTIVES AND PLANS

During the year under review, your Company made a formal entry into neighbouring countries in the health care market by signing up distributorships in Nepal, Myanmar & Srilanka. The coming year should see more business from these alliances.

## ◆ FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign

exchange worth ₹ 36.93 Crores and foreign exchange earning was nil.

## ◆ DIRECTORS

Capt. S Prabhala and Mr. K S Prasad, 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.

## ◆ 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, 2012

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, Gratuity, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues 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 and Gratuity contributions payable to LIC amounting to ₹ 272.46 lakhs and ₹ 469.14 lakhs, respectively, were outstanding as at 31<sup>st</sup> March, 2012, for a period of more than six months from the dates on which they became payable.

*Arrangements are being made to settle the dues.*

For and on behalf of the  
Board of Directors

Bangalore  
30<sup>th</sup> May, 2012

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, 2012

The Company had introduced Employee Stock Option Scheme (viz. BPL Limited -ESOS -2009) for its employees. The details of options granted and exercised during 2011-12 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	1,59,937	
(e)	The total number of shares arising as a result of exercise of options	1,59,937	
(f)	Options lapsed	16,735	
(g)	Variation of terms of options	Nil	
(h)	Money realized by exercise of options	Rs.15,99,370/-	
(i)	Total number of options in force	5,01,004	
(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"	₹ 14/- 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, 2012

**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, 2012, as stipulated in Clause 9 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

**M S Ram (26687)**  
Partner

Bangalore  
28<sup>th</sup> May, 2012

## 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	18	-	-
Mrs. Anju Chandrasekhar	Promoter - Non-executive	4	2	No	10	1	-
Mr. KS Prasad	Independent - Non-executive	4	3	No	-	-	1
Capt. S Prabhala	Independent - Non-executive	4	4	Yes	5	-	2
Mr. K Jayabharath Reddy	Independent - Non-executive	4	2	No	8	3	2
Mr. Suraj L Mehta	Independent - Non-executive	4	4	No	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 2011-12. The meetings were held on the following dates: 27<sup>th</sup> May 2011, 5<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.