



BPL 50 YEARS
1963-2013

Celebrating 50 years



BPL Limited

Annual Report
2012 - 2013



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

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

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

Contents	Page No.
Notice	3-6
Directors' Report	7-13
Report on Corporate Governance	14-19
Auditors' Report	20-21
Balance Sheet	22
Statement of Profit and Loss	23
Notes forming part of Balance Sheet	24-33
Cash Flow Statement	34-35
Notes to Accounts	36-40
Disclosure on Subsidiaries &	
Auditors' Report on Consolidated Accounts	41
Consolidated Balance Sheet	42
Consolidated Statement of Profit and Loss	43
Consolidated Notes forming part of Balance Sheet	44-53
Consolidated Cash Flow Statement	54-55
Consolidated Notes to Accounts	56-58
Admission Slip	59

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 30th 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 31st 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 1st 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-imbursement 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-imbursement of ordinary medical expenses, in case of hospitalisation of the Chairman & Managing Director, the Board of Directors shall have the discretion to re-imburse 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
30th 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 23rd September, 2013 to 30th 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
30th 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 8th 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 1st 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. Panasonic 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
30th 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 31st 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 1st April, 2013 till 31st 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
30th 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 31st 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 31st 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 31st March, 2013 stood at ₹ Nil.

● Capital Expenditure

The capital expenditure of the company for the financial year ended 31st 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:

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