



*Happier Living Everyday*

# Annual Report 2013 - 2014

***BPL Limited***

ANNUAL REPORT 2013 - 2014

# Corporate Information

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## BOARD OF DIRECTORS

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

Mrs. Anju Chandrasekhar

Mr. K S Prasad, *(Upto 13.08.2014)*

Capt. S Prabhala

Mr. K Jayabharath Reddy, *(Upto 13.08.2014)*

Mr. Suraj L Mehta

Mr. Subhash Bathe *(Upto 31.03.2014)*

## 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. Suraj L Mehta, *Chairman*

Capt. S. Prabhala

Mrs. Anju Chandrasekhar

### Nomination & Remuneration Committee

Capt. S Prabhala, *Chairman*

Mrs. Anju Chandrasekhar

Mr. Suraj L Mehta

### Stakeholders Relationship Committee

Capt. S Prabhala, *Chairman*

Mr. Ajit G Nambiar

Mrs. Anju Chandrasekhar

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# Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the Fiftieth Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31<sup>st</sup>, 2014. The financial highlights on the operations of the Company are as follows:

## ♦ FINANCIAL HIGHLIGHTS

(₹ in crores)

| Particulars                                  | Year ended |            |
|--|------------|------------|
|  | 31.03.2014 | 31.03.2013 |
| Net Sales and other income                   | 59.69      | 134.58     |
| Profit before Interest, Depreciation and Tax | 5.53       | 34.11      |
| <b>Less:</b> Interest                        | 0.14       | 3.19       |
| Depreciation                                 | 1.09       | 1.67       |
| Extra-ordinary Income (net)                  | -          | 0.38       |
| Profit / (Loss) before Tax                   | 4.30       | 29.63      |
| Deferred Tax Asset                           | (131.61)   | (39.92)    |
| Profit / (Loss) after Tax                    | (127.31)   | (10.29)    |

## ♦ BUSINESS OVERVIEW

Despite a challenging economic environment and continuing depreciation of the rupee, your Company ended with a total income of ₹ 59.69 Crores for the year 2013-14 compared to ₹ 134.58 Crores for the previous year. The decline in sales and other financials of the company are attributable to the fact that the company had transferred its healthcare business to BPL Medical Technologies Private Limited on 9<sup>th</sup> August, 2013. The gross profit earned for the year is ₹ 5.53 Crores. After providing ₹ 1.09 Crores and ₹ 0.14 Crores towards depreciation and finance charges respectively, your Company has earned a profit (before provisions & taxation) of ₹ 4.30 Crores for the year 2013-14. The operations of the Company continued to be affected due to working capital constraints and lack of bank funding.

### Transfer of Healthcare Business

As a part of the Company's value creation initiative, the Company transferred its medical equipment business to BPL Medical Technologies Private Limited which later became a subsidiary of your company. Subsequently, the Company has inducted The Goldman Sachs Group, Inc., a leading global investment banking, securities and investment management firm, in BPL Medical Technologies Private Limited to further expand the company's medical device business. BPL Limited held 48% of the total share equity capital of BPL Medical Technologies Private Limited as on 31<sup>st</sup> March, 2014.

Over its 50-year history, your Company has developed a strong brand, an attractive product portfolio and a robust distribution and service network for the medical device business. BPL Medical Technologies Private Limited's mission is to manufacture and sell high-quality medical equipments with the latest technologies at affordable prices. The company also offers one of the most extensive after-sales services networks in India, valued greatly by its 119 nationwide dealers and customers.

This landmark investment by The Goldman Sachs Group, Inc., reinforces the vision to build on the BPL brand and well established sales and service network to create India's leading, indigenous medical devices company. The Goldman Sachs Group, Inc., brings a unique global perspective, coupled with extensive experience in investing in India."

BPL has served the medical community for over four decades. Since 1967, BPL's high standards of product performance has made it the supplier of choice for hospitals, clinics and practicing physicians across the country. BPL is widely trusted for its reliable products and dependable services to its

customers. BPL's range of products includes Electrocardiographs, Patient Monitors, Defibrillators, Central Nursing Stations, Stress Test Systems, Oxygenators, Colposcopes, Foetal Monitors and Foetal Dopplers. The products are manufactured in an ISO 13485 certified facility and conform to global standards of quality assurance and best practices. The Company's commitment to service support is reflected in its wide network of customer care centres with a team of over 600 service personnel located across India, making it one of the largest and most accessible medical equipment Company in India.

BPL Medical Technologies Private Limited, which was a subsidiary company till 31<sup>st</sup> March, 2014, registered a turnover of ₹ 63.22 crores for the eight months period ended on 31<sup>st</sup> March, 2014. BPL Medical Technologies Private Limited has introduced many new products like new series of multi parameter patient monitoring systems in value performance and premium product segments, advanced ultrasound systems and Colour Dopplers Ecube series and online ECG Education Programme during the current fiscal and the company has plans to expand its business by entering into new mobile-based diagnostic products like LifePhonePlus, an innovative mobile-based healthcare solution.

BPL Medical Technologies Private Limited collaboration with the best brands across the world and high-quality manufacturing facilities provides customers the latest technologies at affordable prices.

### ♦ 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

### ♦ PRINTED CIRCUITS BOARD (PCB) BUSINESS

The PCB Industry in India, at present, consists mainly of single sided, double sided & multi layer PCBs. BPL is engaged in the manufacturing of single sided PCBs. The major market share for this comes from the Lighting segment both in CFL and LED lighting, consumer electronics, basic telecom equipments, low-end power conversion and Auto electronics industry. During the year 2013-14, the segment wise contribution to the total PCB business is appended below:

# Directors' Report and Management Discussion & Analysis

| Segment          | %      |
|------------------|--------|
| Televisions      | 6.00   |
| Lighting         | 54.00  |
| Power conversion | 11.00  |
| Automotive       | 17.00  |
| Others           | 12.00  |
| Total            | 100.00 |

The demand is expected to increase approximately by 5% to 10% during the current fiscal (i.e FY 2014-15). The company is in the process of replacing old machines and servicing of existing machines on priority basis in the first half of this year. The company also proposes to install new machineries at a planned capex of ₹ 100 - 125 lakhs.

In spite of the USD appreciation against rupee and the abnormal price fluctuations in petroleum products, which are being used for laminate manufacturing, the company was able to sustain & achieve total gross sales of ₹ 2025 lakhs, accounting for 20% EBIDTA, a growth of 10%, compared to the previous financial year.

## ❖ RISKS AND CONCERNS

The company's major competitors in this segment are depending on CRT TV business to the extent of 60% of their total business turn over and presently, since there is a decline in CRT TV business, they are offering lower prices, better payment terms and other incentives to get business break through. Due to delay in up-gradation in infrastructure i.e. Hydraulic Press and Auto line replacements, the business of the company is likely to be affected. The company will try to evolve strategies to maintain its market share in spite of these risks and concerns.

## ❖ 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

The paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2014 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, 2014 was ₹ 169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of ₹ 100/- each.

### ❖ Scheme of Arrangement for Reduction of Capital

Your Company has decided to implement a Scheme of Arrangement (SOA) to set off the accumulated losses of ₹ 184.09 crores against the entire credit balance in share premium account through a court approved scheme. The SOA has been approved by SEBI and Stock Exchanges. Your Company is in the process of seeking the approval of members for filing the scheme before the High Court of Kerala for its implementation.

### ❖ Reserves & Surplus

The Reserves of the Company after adjusting surplus during the year 2013-14 stood at ₹ 21.37 Crores.

### ❖ Borrowings

Total borrowings of the Company as on 31<sup>st</sup> March, 2014 stood at ₹ Nil.

### ❖ Capital Expenditure

The capital expenditure of the company for the financial year ended 31<sup>st</sup> March, 2014 was ₹ 0.34 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, the company has not granted any options under the employee stock option scheme called "BPL Limited-ESOS-2009"

## ❖ 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. Various helpdesks 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 in the use of safety equipments. 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 66 employees as on 31<sup>st</sup> March, 2014.

## ❖ 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 31<sup>st</sup> March, 2014, 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 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;
- 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
- The Directors had prepared the accounts for the year ended 31<sup>st</sup> March, 2014, on a 'going concern' basis.

## ❖ PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

# Directors' Report and Management Discussion & Analysis

## ❖ SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March, 2014, your Company had three subsidiary Companies viz. Bharat Energy Ventures Limited (BEVL), BPL Medical Technologies Private Limited (BMTPL) and BPL Power Projects (AP) Private Limited (BPPL). However, BMTPL ceased to be subsidiary of your company with effect from 1<sup>st</sup> April, 2014.

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, BPL Medical Technologies Private Limited and BPL Power Projects (AP) Private Limited, subsidiaries of your Company are not attached to the Balance Sheet of your Company.

As required under the aforesaid Circular, your Company undertakes that the annual accounts and the related detailed information of your Company's subsidiaries i.e. Bharat Energy Ventures Limited (BEVL), BPL Medical Technologies Private Limited (BMTPL) 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, BMTPL & BPPL will also be kept for inspection by any shareholder in the head office of your Company and of BEVL, BMTPL 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 to keep your Company tuned to the market needs.

## ❖ RESEARCH AND DEVELOPMENT (R & D)

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

During the year, no major R & D was carried out in view of the financial and other constraints faced by the Company. However, the Company will be focusing on these areas in the current financial year.

## ❖ EXPORT INCENTIVES AND PLANS

During the year under review, your Company made a formal entry into neighboring countries in the printed circuit board market. The coming year should see more export business.

## ❖ FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign exchange worth Rs. 14.17 Crores and foreign exchange earning was ₹ 1.54 Crores.

## ❖ DIRECTORS

In accordance with provisions of Section 149 of the Companies Act, 2013, your company has appointed Capt. S Prabhala and, Mr. Suraj L Mehta as the independent directors of the Company at the meeting of the Board of Directors held on 13<sup>th</sup> August, 2014. This appointment is subject to the approval of shareholders at the forthcoming Annual General Meeting.

Mrs. Anju Chandrasekhar, Director, retires by rotation, at the ensuing Annual General Meeting and is 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 2012-13 has been filed with Ministry of Corporate Affairs (MCA) in the prescribed format on 2<sup>nd</sup> January 2014.

## ❖ 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  
13<sup>th</sup> August, 2014

**Ajit G Nambiar**  
Chairman & Managing Director

## ❖ Management responses to the Auditors' Qualification/Adverse Remarks

### 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, 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 amounting to Rs. 307.29 Lakhs, Service tax dues amounting to Rs.7.31 Lakhs, Dividend Distribution Tax amounting to Rs.2,817/- were outstanding, as at 31st March 2014, 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 service tax and dividend distribution tax, the same have since been paid.*

For and on behalf of the  
Board of Directors

Bangalore  
13<sup>th</sup> August, 2014

**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, 2014, 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)

Bangalore  
30<sup>th</sup> May, 2014

**M S Ram (26687)**  
Partner

## 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/<br>Committee Memberships* |                     |                       |
|-------------------------|-----------------------------|---|--------------------------------------|--------------------------------|--|---------------------|-----------------------|
|                         |                             | No. of Board<br>Meetings<br>held during<br>Directorship | No. of Board<br>Meetings<br>attended | Last AGM<br>attended<br>Yes/No | Directorship<br>in other<br>Companies          | Committee<br>Member | Committee<br>Chairman |
| Mr. Ajit G Nambiar      | Promoter - Executive        | 5   | 5                                    | Yes                            | 20   | 1                   | -                     |
| Mrs. Anju Chandrasekhar | Promoter - Non-executive    | 5   | 3                                    | No                             | 14   | 1                   | -                     |
| Mr. K S Prasad          | Independent - Non-executive | 5   | 5                                    | Yes                            | -  | -                   | 1                     |
| Capt. S Prabhala        | Independent - Non-executive | 5   | 5                                    | No                             | 3  | -                   | -                     |
| Mr. K Jayabharath Reddy | Independent - Non-executive | 5   | 4                                    | Yes                            | 6  | 2                   | 2                     |
| Mr. Suraj L Mehta       | Independent - Non-executive | 5   | 3                                    | No                             | 3  | 1                   | -                     |
| Mr. Subhash M Bathe**   | Independent - Non-executive | 5   | 5                                    | No                             | 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. \*\*Mr. Subhash Bathe ceased to be a director w.e.f. 31.03.2014.

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

Four Board Meetings were held during 2013-14. The meetings were held on the following dates: 6<sup>th</sup> May, 2013, 30<sup>th</sup> May, 2013, 14<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 17<sup>th</sup> January, 2014.



# 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 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, 2014

| Name  | Meetings          |          |
|---|-------------------|----------|
|   | During the tenure | Attended |
| Mr. K Jayabharath Reddy,<br><i>Chairman</i> | 4                 | 3        |
| Mr. Suraj L Mehta                           | 4                 | 3        |
| Mr. Subhash Bathe*                          | 4                 | 4        |

\*ceased to be a member w.e.f. 31.03.2014

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

Four Meetings of the Committee were held during 2013-14. The meetings were held on the following dates: 30<sup>th</sup> May 2013, 14<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 17<sup>th</sup> January, 2014.

## 4. Remuneration/Compensation Committee

The Remuneration Committee was renamed on 25<sup>th</sup> 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                    | Designation |
|-------------------------|-------------|
| Capt. S. Prabhala       | Chairman    |
| Mr. K Jayabharath Reddy | Member      |
| Mrs. Anju Chandrasekhar | Member      |
| Mr. Subhash Bathe*      | Member      |

\*ceased to be a member w.e.f. 31.03.2014

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

There were no meetings held, during the Financial Year 2013-14.

### 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

e) Details of remuneration to all the directors for the financial year 2013 - 14

(₹)

| Name                    | Designation                  | Salary (p.a.) | Perquisites (p.a.) | Contribution to Provident and Gratuity Funds | Others-accident and Medi-claim insurance cover | Total     | Service contracts      | Notice Period          | Severance Fee | Stock Option held | No. of Shares |
|-------------------------|------------------------------|---------------|--------------------|--|--|-----------|------------------------|------------------------|---------------|-------------------|---------------|
| 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        | -                            | -             | -                  | -  | -  | -         | -                      | -                      | -             | -                 | 2,587         |
| Mr. K Jayabharath Reddy | -                            | -             | -                  | -  | -  | -         | -                      | -                      | -             | -                 | 9,413         |
| Mr. Suraj L Mehta       | -                            | -             | -                  | -  | -  | -         | -                      | -                      | -             | -                 | 9,413         |
| Mr. Subhash M Bathe*    | -                            | -             | -                  | -  | -  | -         | -                      | -                      | -             | -                 | 9,413         |

\*ceased to be a director w.e.f. 31.03.2014

The Company has not paid any remuneration to the non-executive directors other than sitting fees of ₹ 10,000/-each, for attending Board/Committee Meetings.

## 5. Investors' Relation Committee

The Committee held its Meeting on 14<sup>th</sup> November, 2013.

### a) Terms of Reference

- Approval of requests received for Transfer / Transmission/ Transposition of shares in the physical form
- Deletions 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:

- Mr. KS Prasad, Chairman (Independent & Non-Executive)
- Mrs. Anju Chandrasekhar (Non-Executive) and
- Mr. Ajit G Nambiar

### c) Name and designation of Compliance Officer

Mr. D. Krishnan 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 2013-2014 is given below:

| Nature of Complaint                                | 2013-14  |         |         |
|--|----------|---------|---------|
|  | Received | Cleared | Pending |
| Non-receipt of share certificates duly transferred | 2        | 2       | -       |
| Non-receipt of Dividend Warrant                    | 1        | 1       | -       |
| Total  | 3        | 3       | -       |

## 6. General Body Meetings

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

|                            | 2010-11   | 2011-12   | 2012-13  |
|----------------------------|---|---|--|
| Date, Venue and Time       | 27 <sup>th</sup> July, 2011<br>Sri Chackra International<br>Krishna Gardens<br>Chandranagar P.O,<br>Palakkad 678 007, Kerala<br>10:00 A M | 12 <sup>th</sup> September, 2012 Sri Chackra International<br>Krishna Gardens Chandranagar P.O,<br>Palakkad 678 007, Kerala<br>10:00 A M  | 30 <sup>th</sup> September, 2013<br>Sri Chackra International<br>Krishna Gardens<br>Chandranagar P.O, Palakkad<br>678 007, Kerala<br>10:00 A M   |
| Special Resolutions passed | Nil   | <ol style="list-style-type: none"> <li>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 Rs. 40 Crores (Rupees Forty Crores only)</li> <li>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 Rs.5 Lakhs (Rupees Five Lakhs only)</li> <li>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 Rs. 10 Crores (Rupees Ten Crores only)</li> </ol> | <ol style="list-style-type: none"> <li>1) Approval of the company to the Board of Director to re-appoint Mr. Ajit G Nambiar as Chairman &amp; Managing Director for a period of three years w.e.f 1st April, 2013.</li> <li>2) Approval of the company to the Board of Director to alter the articles of association of the company by inserting a new article no. 67A.</li> </ol> |

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 BPL Medical Technologies Private Limited (BMTPL) and investing in the equity shares of BMTPL. 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 2013-14

## 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.

# Corporate Governance

## 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 2013-14

### e) E-mail ID for registering complaints by investors is:

[investorsservices@bpl.in](mailto:investorsservices@bpl.in)

## 9. General Shareholder Information

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

The Company will hold its 50<sup>th</sup> Annual General Meeting on Monday, the 29<sup>th</sup> day of September, 2014 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, 2014 to 29<sup>th</sup> September, 2014 (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, 2014.

### 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 2013-14:

- 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     |
| 2013      |            |         |               |            |          |            |         |               |           |         |
| April     | 18.38      | 14.25   | 22504990      | 19622.68   | 18144.22 | 18.40      | 14.00   | 2661039       | 5962.30   | 5477.20 |
| May       | 20.25      | 14.85   | 10302963      | 20443.62   | 19451.30 | 20.30      | 14.90   | 1304999       | 6229.45   | 5910.95 |
| June      | 15.50      | 11.65   | 10518718      | 19860.20   | 18467.20 | 16.00      | 11.20   | 1434803       | 6011.00   | 5566.25 |
| July      | 14.20      | 10.15   | 2443664       | 20351.10   | 19126.80 | 15.35      | 10.15   | 371473        | 6093.35   | 5675.75 |
| August    | 10.51      | 07.90   | 2188072       | 19569.20   | 17448.70 | 10.95      | 07.90   | 394672        | 5808.50   | 5118.85 |
| September | 13.40      | 08.25   | 9984490       | 20739.70   | 18166.20 | 13.45      | 07.50   | 1818083       | 6142.50   | 5318.90 |
| October   | 15.45      | 10.31   | 11276737      | 21205.40   | 19264.70 | 15.40      | 10.45   | 1751839       | 6309.05   | 5700.95 |
| November  | 14.88      | 12.00   | 6479147       | 21321.50   | 20137.70 | 14.70      | 11.65   | 885316        | 6342.95   | 5972.45 |
| December  | 14.80      | 12.60   | 7575044       | 21483.70   | 20568.70 | 15.00      | 12.55   | 1022186       | 6415.25   | 6129.95 |
| 2014      |            |         |               |            |          |            |         |               |           |         |
| January   | 17.17      | 13.15   | 25870330      | 21409.70   | 20343.80 | 17.00      | 13.20   | 2956503       | 6358.30   | 6027.25 |
| February  | 15.44      | 13.01   | 5115604       | 21140.50   | 19963.10 | 15.40      | 13.00   | 608159        | 6282.70   | 5933.30 |
| March     | 14.70      | 13.03   | 3303680       | 22467.20   | 20921.00 | 14.70      | 13.10   | 769601        | 6730.05   | 6212.25 |