



Believe in the Best



Corporate Information

BOARD OF DIRECTORS

Mr. Ajit G Nambiar, Chairman & Managing Director
Mrs. Anju Chandrasekhar
Capt. Subbarao Prabhala
Mr. Suraj L Mehta

COMPANY SECRETARY

Mrs. Chitra M A

CHIEF FINANCIAL OFFICER

Mr. S V Ganesh

AUDITORS

M/s. T Velu Pillai & Co.,
Chartered Accountants, Bangalore

BOARD COMMITTEES

Audit Committee

Mr. Suraj L Mehta, Chairman
Capt. Subbarao Prabhala, Vice-Chairman
Mrs. Anju Chandrasekhar

Nomination & Remuneration Committee

Capt. Subbarao Prabhala, Chairman
Mrs. Anju Chandrasekhar
Mr. Suraj L Mehta

Stakeholders Relationship Committee

Capt. Subbarao Prabhala, Chairman
Mr. Ajit G Nambiar
Mrs. Anju Chandrasekhar

CSR Committee

Mrs. Anju Chandrasekhar, Chairperson
Capt. Subbarao Prabhala
Mr. Ajit G Nambiar

REGISTERED OFFICE

BPL Works, Palakkad 678007, Kerala

CORPORATE OFFICE

No. 64, Church Street, Bangalore 560 001

MANUFACTURING FACILITIES

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

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500 032, Telengana, India,
Tel: +914067161700

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Notice of Annual General Meeting

Notice is hereby given that the 53rd Annual General Meeting of BPL Limited will be held on **Tuesday, the 26th September, 2017 at 2.45 P.M.** at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678007, Kerala, to transact the following business:

ORDINARY BUSINESS

- 1) To consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 together with Report of Directors and the Auditors thereon.
- 2) To declare dividend of Rs. 0.001 per share on the Preference Shares.
- 3) To appoint a Director in place of Mr. Ajit G Nambiar, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint auditors of the Company and to fix their remuneration.

Explanation: Section 139 of the Companies Act, 2013 provides for the appointment and mandatory rotation of the statutory auditors. As per the provisions of the said section and the rules framed thereunder, it is mandatory to rotate the statutory auditors on completion of a term as specified under the rules depending on the number of years for which an audit firm has been functioning as an auditor of a Company.

The existing Auditors, M/s T. Velupillai & Co, Chartered Accountants, have served as the auditors of the Company for more than 10 years as on the date of commencement of the Companies Act, 2013 and will be completing the transitional period of three years at the ensuing Annual General Meeting (AGM) as per the provisions of Companies Act, 2013 and rules framed thereunder.

The Audit Committee of the Company has proposed and the Board has recommended the appointment of M/s. MKUK Associates, Chartered Accountants, Bangalore, as the Auditors of the Company for a period of 5 years commencing from the date of ensuing AGM.

M/s. MKUK Associates, Chartered Accountants, Bangalore, subject to the approval of shareholders in the AGM, will hold office for a period of five years from the conclusion of 53rd Annual General Meeting of the Company till the conclusion of 58th Annual General Meeting of the Company to be held in the year 2022.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 139 and 142 of the Companies Act, 2013 and the rules made thereunder, as proposed by the audit Committee and recommended by the Board, M/s MKUK Associates, Chartered Accountants, Bangalore, (Firm Regn No.050113S) be and is hereby appointed as the statutory auditor of the Company and to hold office for a period of five years commencing from the FY 2017-18, on a remuneration as recommended by the audit committee in consultation with the auditors."

By Order of the Board



10th August, 2017
Bangalore

Chitra M A
Company Secretary

NOTES:

1. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and such proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, and such person shall not act as a proxy for any other person or shareholder.
3. The instrument of proxy in order to be effective must be deposited/ lodged at the registered / corporate office of the Company, duly completed and signed not later than 48 hours before the time fixed for holding the meeting. A proxy form is enclosed to this report.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
5. Members / Proxies should bring the Attendance Slip duly filled in, for attending the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2017 to 26th September, 2017 (both days inclusive).
7. Pursuant to the provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements - LODR) Regulations, 2015, additional information on Directors seeking re-election at the Annual General Meeting is appended to this Notice.

Notice of Annual General Meeting

8. Dividend of Rs. 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.
 9. *Members are requested to support the green initiative taken by the company by registering / updating their e-mail IDs with the depository participants to enable them to send the communication electronically.*
 10. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the 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.
 11. Shareholders are requested to address all their correspondence including on matters related to Share Transfers, Annual Report etc., to BPL Limited, Dynamic House, No.64, Church Street, Bangalore 560 001.
 12. Pursuant to the provisions of Section 108 of the Act read with the rules framed thereunder and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is offering e-voting facility to its members in respect of all the businesses to be transacted at the Annual General Meeting. The Company has engaged the services of M/s. Karvy Computershare Private Limited ("Karvy") to provide e-voting facilities.
 13. The e-voting period commences on Friday 22nd September 2017 at 9.00 AM and ends at Monday 25th September 2017 at 5.00 PM. E-voting module will be disabled by Karvy for voting thereafter. Shareholders holding shares either in physical form or dematerialized form as on 19th September 2017 may cast their vote electronically. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders/beneficial owners as on the cut-off date i.e 19th September 2017.
 14. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Shareholders/ proxies may also vote at the AGM through the ballot papers that will be provided at the venue. Shareholders who have cast their votes through e-voting prior to the meeting may also attend the AGM but shall not be allowed to cast their vote again.
 15. Mr. P Sivarajan, Practicing Chartered Accountant, has been appointed as Scrutinizer for conducting the e-voting and ballot process in a fair and transparent manner. The Scrutinizer's decision on the validity of voting shall be final.
 16. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by depository participants as on the cutoff date i.e. 19th September 2017 only, shall be entitled to avail the e-voting as well as voting in the AGM. Members who have acquired shares after the dispatch of the Notice and before the cutoff date may obtain the user ID by approaching Mr. P Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67162222, for exercising their right to vote by electronic means.
 17. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges within 48 hours of conclusion of the meeting and the same will also be hosted on the website of the Company (www.bpl.in).
 18. Annual Report including the notice of AGM and Proxy Form is being sent by electronic mode to members whose email addresses are registered with the Depository Participant, unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. A copy of Annual Report and the AGM Notice will be available on the Company's website, www.bpl.in
 19. Register of Directors and Key Managerial Personnel and their share holding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the said act will be available for inspection by the members at the AGM.
 20. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. P Nageswara Rao, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Phone : 040-67162222.
- Procedure and instructions for e-voting**
- Please read the procedure and instructions for e-voting given below before exercising the vote.
- A. Members who received the Notice through e-mail from Karvy:**
- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
 - ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:



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User ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID b) For CDSL :- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form: Event No. (EVENT) followed by Folio No. registered with the Company
Password	Your unique password is printed in the attendance slip/provided in the e-mail forwarding the electronic notice

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt to select the "Event" i.e BPL Limited.
- vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/AGAINST" against the resolution or alternatively you may partially enter any number in "FOR", partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding.
- viii. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- ix. Corporate/Institutional Members (corporate /FIs /FIIs/Trust/Mutual Funds/Companies, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer

at e-mail ID: casivarajanp@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No.".

B. In case of Members receiving the Notice by post:

1. Please use the User ID and initial password as provided in the attendance slip.
2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.

In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.

By Order of the Board



Chitra M A

Company Secretary

10th August, 2017
Bangalore

Corporate Office:

No.64, Dynamic House, Bangalore- 01.
e-mail:investor@bpl.in, Phone: + 91-80-25589109
URL : www.bpl.in

PARTICULARS REQUIRED FOR RE-APPOINTMENT OF A DIRECTOR PURSUANT TO THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS, 2015

The brief profile of the Director eligible for re-appointment is given below:

Mr. AJIT G NAMBIAR

Mr. Ajit G Nambiar, 54, is the Chairman & Managing Director of BPL Limited. After obtaining his Degree in Computer 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.

Mr. Ajit 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.

Mr. Ajit Nambiar holds directorships in many companies of the Group. He has rich and varied experience in management of companies for over three decades.

Name of the companies in which Mr. Ajit G Nambiar is a Director is furnished below:

1. BPL Limited, 2. Electro Investment Pvt. Ltd, 3. Nambiar Intl. Investment Co. Pvt. Ltd, 4. PanIndia Telecommunications

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Network Pvt. Ltd, 5. Phoenix Holdings Pvt. Ltd, 6. Stallion Computers Pvt. Ltd, 7. E R Computers Private Limited, 8. Electronic Research Pvt. Ltd, 9. NI Micro Technologies Pvt. Ltd, 10. Dynamic Electronics Pvt. Ltd, 11. Anan Properties & Finance Co., Pvt. Ltd, 12. Zyfax Systems (Bangalore) Pvt. Ltd, 13. Merino Finance Pvt. Ltd, 14. Asian Age (India) Pvt. Ltd, 15. BPL Medical Technologies Pvt. Ltd, 16. BPL Telecom Pvt. Ltd, 17. BPL Power Projects (AP) Pvt. Ltd, 18. Bharat Energy Ventures Limited, 19. Panasonic Appliances India Company Limited.

Mr. Ajit G Nambiar is also a member of the Stakeholders Relationship Committee of the Company.

Except Mr. Ajit G Nambiar, being an appointee and Mrs. Anju Chandrasekhar, being a relative, none of the other directors and Key Managerial Personnel is concerned or interested in the resolution set out at Item No.3.

The re-appointment of Mr. Ajit G Nambiar, on the board of the

company complies with the requirements of provisions of Section 203 of the Companies Act, 2013 with regard to appointment of Key Managerial Personnel by a listed company.

ATTENDANCE RECORD OF A DIRECTOR WHO SEEKS APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	No. of Board Meetings held during 2016-2017	No. of Board Meetings attended	Last AGM attendance (Yes/No.)	No. of Shares held
Mr. Ajit G Nambiar	6	6	Yes	80,000

By Order of the Board



Chitra M A

Company Secretary

10th August, 2017
Bangalore



Board's Report and Management Discussion & Analysis

Dear Members,

Your Directors have pleasure in presenting their report along with the audited accounts for the year ended March 31, 2017.

REVIEW OF OPERATIONS

Your Company continues to grow in the online consumer electronics sector, despite an ever-challenging macro-economic environment, high competition and the recent effects of demonetization. From the commencement of its online business in 2015, the Company's growth has more than doubled to emerge as amongst the leading brands in the online TV and Washing Machine segments. Positive product reviews and strong brand pull have helped BPL edge past many international and Indian brands, resulting in your Company posting an income of Rs. 174.23 Crores for the year 2016-17 as compared to Rs.56.82 Crores for the previous year. Profit for the year has been Rs.53.38 Crores (before provisions & taxation).

Your Company's financial performance for the year under review is summarized below:

(₹ in crores)

Particulars	Year Ended	
	31.03.2017	31.03.2016
Net Sales and other income	174.23	56.82
Profit/Loss before Tax	53.38	14.23
Deferred Tax Asset/Provision	0.31	(22.68)
Profit/Loss after Tax (including Profit/Loss from discontinuing operations)	53.07	(8.45)
Balance Reserve at the beginning of the period	20.71	29.16
Balance of Reserve at the end of Period	73.78	20.17
EPS - Basic	10.86	(1.73)
- Diluted	10.86	(1.73)

DIVIDEND

Your Directors regret their inability to recommend any dividend on equity shares of the Company since your Company needs to fund new business initiatives, additional product lines and a surge in business levels.

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

However, a dividend of Rs. 0.001 per share on the preference shares has been recommended as per the terms of the issue covered by the approved Scheme of Arrangement.

E-COMMERCE AND DIGITAL RETAIL IN INDIA

Globally e-commerce is on a growth path, with China being the largest followed by the US and India. The total global online sales in 2016 was US\$ 681 billion.

It is expected that approximately 1/5th of total retail sales will take place online by 2021 in Asia Pacific, with 78 percent of that coming from mobile, up from 63 percent in 2016.

India is poised to see more people join the Internet over the next 15 years than any other country. The prospect of 1 billion people online by 2030 sets the stage for enormous surge in e-commerce. As penetration levels are still very low and with a push from e-commerce companies to reach into mini metros and rural areas, India's e-commerce business will be on a high growth path for the next 10 years.

Your company is watchful of the pace of digital transformation taking place and constantly endeavors to position itself to benefit from the developments in the years ahead.

FUTURE OUTLOOK

As part of the Company's online strategy, the company made a strategic shift from its earlier channel partner to Amazon in May 2017. The initial months of operations have seen a very positive acceptance of the BPL brand. Despite being on the new platform and with limited product reviews, BPL products have consistently emerged as "Top Sellers" in key categories on Amazon.

Encouraged by the response so far, your Company is soon targeting to be a leader in the categories that it operates in.

The Company has also recently widened its product range to include multiple models of LED televisions, Top & Front load Washing Machines, Microwave Ovens and Air conditioners. In the months ahead, BPL has plans to introduce many new products such as Smart Televisions, high-end side-by-side Refrigerators, new models in Washing machines & Microwave ovens, Air purifiers and Sound bars. BPL's target is to grow by over 25% in 2017-18 and in the next 3 years reach a target of over Rs. 500 Crores.



Board's Report and Management Discussion & Analysis

Both Amazon and BPL have partnered to provide customers across India a trusted and convenient way to shop for BPL's fast growing product range. The company also offers installation services and pan India service support. To make it more affordable, customers also have the option of interest free EMI solutions and exchange offers on select products.

RISKS AND CONCERNS

E-commerce platforms offer very low entry barriers to Chinese and other multi-national electronic & appliances brands, who are able to make an easy entry in the Indian market. With deep pockets for high marketing spends, these brands are also able to invest heavily on visibility and affordability campaigns. The on-going price war amongst the various e-commerce companies is another concern as it puts pressure on BPL to offer products at extremely competitive rates and at the same time maintaining highest quality levels. Since most of the components are imported, there is an additional risk of international price fluctuations for these components and the possibility of adverse US Dollar exchange rates.

PRINTED CIRCUITS BOARD (PCB) BUSINESS

The PCB industry in India, at present, consists of single sided, double sided & multi layer PCBs. Your Company is engaged in manufacturing of single sided PCBs. The major market for this comes from the Lighting segment (LED), consumer electronics, basic telecom equipments, low-end power conversion and auto electronics industry. During the year 2016-17, the segment wise contributions to the total PCB business is as under:

Segment	%
TV	17
Lighting	50
Power Conversion	20
Automotive	8
Others	5
Total	100

Your Company was able to cope with the competition & sustain a growth of 18% over the previous year with EBIDTA of around 23%.

Further, PCB industry is witnessing sizeable growth in the led lighting/power conversion sector, the market in this segment is expected to grow around 20% this year. Your company intends to reap benefits from this growth and accordingly, the turnover of PCB business is expected to increase by 19% during the current fiscal year.

RISKS AND CONCERNS

Your company faces strong competition from other manufacturers with greater installed capacity and economies of scale as well as greater financial resources and pricing flexibility. Your company is mindful of these factors and is

taking various measures to protect its market share and price competitiveness.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your company has no subsidiaries or joint ventures during the period under review.

Consequent to non-participation by the Company in the recently concluded 'rights issue' of BPL Medical Technologies Private Limited (BMTPL), the percentage of equity shareholding of your Company in BMTPL has dropped to 15.88%. In view of this, BMTPL is no longer an Associate Company and accordingly, no consolidation of accounts required for the financial year 2016-17.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in the future.

SAFETY, HEALTH AND ENVIRONMENT

Safety committees at the manufacturing unit are functioning properly to ensure safe and healthy work environment.

Safety, Health and Environmental requirements as per rules have been adhered to at the unit. Shop in-charge personnel and all security staff have been given sufficient on the 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 93 employees as on March 31, 2017.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

a) 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. During the year under review, in view of working capital constraints, your company has not made any capital investment on energy conservation equipments.

b) Technology Absorption:

Electronics technology is changing rapidly and continuous efforts are required to keep pace with it. However, due to financial and manpower constraints, your company has not been able to invest in R&D during the year under review. It is hoped that with improvement in top line and bottom line in the coming year, your company will be able to focus on this important area."



Board's Report and Management Discussion & Analysis

- c) *Foreign Exchange earnings and outgo* : During the period under review, your Company utilized foreign exchange worth Rs.49.56 Crores and foreign exchange earning was nil

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to corporate governance and is fully compliant with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on compliance with the conditions of Corporate Governance and certificate from the Statutory Auditors of the Company - M/s T Velupillai & Co, Chartered Accountants, in this regard, forms part of the Annual Report.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION POLICY

Policy on Directors appointment is to follow the criteria as laid down under the Companies Act, 2013, BPL Code of Conduct for Board of Directors and senior management personnel and the Uniform Listing Agreement with stock exchanges and good corporate practices. Emphasis is given to persons from diverse field or professions.

Guiding policy on remuneration of Directors, Key Managerial Personnel and Employees of the company is that:

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and workmen is industry-driven and takes into account their performance and factors such as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of Companies Act, 2013 and Rules framed there in, Circulars and Guidelines issued by the Central Government and other authorities from time to time.

BOARD PERFORMANCE EVALUATION

The Company has, during the year, conducted an evaluation of the Board as a whole, its committees and the Individual Directors including the independent directors as stipulated in the Nomination and Remuneration policy adopted by the Company. The evaluation was carried out through different evaluation forms which covered among the evaluation of the composition of the Board/Committee, its effectiveness, activities, governance and with respect to the chairman and the individual directors, their participation, integrity, independence, knowledge, impact and influence on the Board.

The Independent Directors of the Company also convened a separate meeting and evaluated the performance of the Board, the non-independent directors and the chairman. Performance evaluation criteria is as per the policy available at the web link <http://www.bpl.in/investor-relations/policies/policy-on-board-evaluation.pdf>.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Mr. Suraj Lal Mehta and Capt. Subbarao Prabhala, the Independent Directors of the company have made a declaration to the Company confirming the compliance of the conditions stipulated in the aforesaid section.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134 (1) (c) of the Companies Act, 2013, and on the basis of explanations and compliance certificates given by the executives of the company and subject to disclosures in the annual accounts and also on the basis of discussions with the statutory auditors of the company, from time to time, we state as under

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 ended as on that date;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis.
- e) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Ajit G Nambiar, Director, retires by rotation, and being eligible, offers himself for re-appointment.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The Board of Directors have met six times and Independent Directors, once during the Financial Year 2016-17 and details of date of meetings are available in the Corporate Governance report section, which forms part of the annual report.



Board's Report and Management Discussion & Analysis

DETAILS OF COMMITTEE OF DIRECTORS

Composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee; number of meetings of each committee during the financial year 2016 -17 and meetings attended by each member of the committee as required under the Companies Act, 2013 are provided in Corporate Governance Report section which forms part of the annual report.

KEY MANAGERIAL PERSONNEL

Mr. Ajit G. Nambiar, Chairman & Managing Director, Mr. S.V. Ganesh, Chief Financial Officer and Mrs. Chitra.M.A, Company Secretary & Compliance Officer are the Key Managerial personnel of the Company pursuant to Section 203 of the Companies Act, 2013. Mr. D Krishnan who was the Secretary of the Company had retired on 31st October, 2016.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in *Form No. AOC-2*, which forms part of the annual report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DEPOSITS

The company has not accepted any deposits from the public and hence, the provisions of the Companies Act, 2013 and Rules framed thereunder, are not applicable to the company.

AUDITORS REPORT

The explanations or comments of the Board on every qualification, reservation or adverse remark or disclaimer made by the Auditor in their report have been furnished by way of an addendum.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2017 stood at Rs.48.88 Crores comprising 4,88,84,818 Equity Shares of Rs.10/- each, fully paid up. The paid-up Preference Share Capital of the Company as on 31st March, 2017 was Rs.169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of Rs.100/- each.

The Company has not issued any Sweat Equity Shares or granted any Employee Stock Option during the Financial Year 2016-17. The Company has not made any provision of money for the purchase of or subscription for shares in the Company under any Scheme.

The provisions of Rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not applicable to the company since no Equity Shares have been issued by the Company with differential rights during the Financial Year 2016-17.

Out of the Preference Share Capital of Rs.169.58 Crores issued, 63,65,170 Preference shares of Rs.100/- each amounting to Rs.63.65 Crores were to be redeemed in installments as on 31 st March 2017. The Company is in the process of obtaining requisite approvals from the holders of such preference shares and National Company Law Tribunal (NCLT) for issuing further redeemable preference shares equal to the amount of such unredeemed preference shares in accordance with the provisions of Section 55 of the Companies Act, 2013.

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

WHISTLE BLOWER/VIGIL MECHANISM POLICY

The Company has put in place a Whistle Blower/ Vigil Mechanism Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the company to raise any concern. The policy broadly cover instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct, alteration of documents, fraudulent financial reporting, misappropriation/ misuse of company's assets, manipulation of company's data, pilferage of proprietary information, abuse of authority etc. The policy provides safeguard against victimization of Director(s)/employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism. The policy is available on the website of the company.

MANAGEMENT DISCUSSION & ANALYSIS

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

INTERNAL CONTROL AND THEIR ADEQUACY

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

The Internal Financial 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.

