



Happier Living Everyday

BPL Limited
ANNUAL REPORT 2013 - 2014

Annual Report 2013 - 2014

BPL Limited

Corporate Information

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 31st, 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 |
| Less: 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 9th 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 31st 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, Oxygenerators, 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 31st March, 2014, registered a turnover of ₹ 63.22 crores for the eight months period ended on 31st 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 31st 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 31st 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 31st March, 2014 stood at ₹ Nil.

❖ Capital Expenditure

The capital expenditure of the company for the financial year ended 31st 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 31st 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 31st 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 31st 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 31st 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 1st 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 8th 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 13th 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 2nd 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
13th 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
13th 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 31st 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)

M S Ram (26687)
Partner

Bangalore
30th May, 2014

Report on Corporate Governance

1. Company's philosophy on Code of Governance

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

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

2. Board of Directors

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

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

| Name of the Director | Category | Attendance | | | Other Directorships/ Committee Memberships* | | |
|-------------------------|-----------------------------|--|--------------------------------|--------------------------|--|------------------|--------------------|
| | | No. of Board Meetings held during Directorship | No. of Board Meetings attended | Last AGM attended Yes/No | Directorship in other Companies | Committee Member | Committee Chairman |
| Mr. Ajit G Nambiar | Promoter - Executive | 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: 6th May, 2013, 30th May, 2013, 14th August, 2013, 14th November, 2013 and 17th 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 31st March, 2014

| Name | Meetings | |
|---|-------------------|----------|
| | During the tenure | Attended |
| Mr. K Jayabharath Reddy, <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: 30th May 2013, 14th August, 2013, 14th November, 2013 and 17th January, 2014.

4. Remuneration/Compensation Committee

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

a) Terms of Reference

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

b) Composition, name of members and chairperson

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

| Name | 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 14th 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:

- i) Mr. K S Prasad, Chairman (Independent & Non-Executive)
- ii) Mrs. Anju Chandrasekhar (Non-Executive) and
- iii) 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 th July, 2011 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M | 12 th September, 2012 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M | 30 th September, 2013 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M |
| Special Resolutions passed | Nil | <ol style="list-style-type: none"> 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) 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) 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) | <ol style="list-style-type: none"> 1) Approval of the company to the Board of Director to re-appoint Mr. Ajit G Nambiar as Chairman & Managing Director for a period of three years w.e.f 1st April, 2013. 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. |

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, 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

9. General Shareholder Information

Date, Time & Venue of Annual General Meeting

The Company will hold its 50th Annual General Meeting on Monday, the 29th 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 1st April and ends on 31st March

Date of Book Closure

Register of Members / Register of Share Transfer books will remain closed from 23rd September, 2014 to 29th 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 31st 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", 5th 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 |

Corporate Governance

Registrar and Transfer Agents

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

Share Transfer System

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

Share transfers in the physical form are approved on a fortnightly basis by the Company and are mailed to the investors. The total number of shares transferred during the year 2013-2014 was 500 (previous year 300).

Distribution of Shareholding

| No. of Shares held | 31 st March, 2013 | | | | 31 st March, 2014 | | | |
|--------------------|------------------------------|--------------------|--------------------|---------------------|------------------------------|--------------------|--------------------|---------------------|
| | No. of Share holders | % of Share holders | No. of Shares held | % of Share holdings | No. of Share holders | % of Share holders | No. of Shares held | % of Share holdings |
| 1 - 500 | 22894 | 85.80 | 3320012 | 6.79 | 22017 | 85.10 | 3181869 | 6.51 |
| 501 - 1000 | 1898 | 7.11 | 1587731 | 3.25 | 1894 | 7.32 | 1591071 | 3.25 |
| 1001 - 2000 | 904 | 3.39 | 1425964 | 2.92 | 956 | 3.70 | 1510034 | 3.09 |
| 2001 - 3000 | 321 | 1.20 | 831953 | 1.70 | 326 | 1.26 | 845491 | 1.73 |
| 3001 - 4000 | 141 | 0.53 | 516451 | 1.06 | 160 | 0.62 | 578412 | 1.18 |
| 4001 - 5000 | 151 | 0.57 | 717009 | 1.47 | 153 | 0.59 | 728274 | 1.49 |
| 5001 - 10000 | 199 | 0.75 | 1474060 | 3.02 | 197 | 0.76 | 1455444 | 2.98 |
| Above 10000 | 174 | 0.65 | 39011638 | 79.80 | 168 | 0.65 | 38994223 | 79.77 |
| Total | 26682 | 100.00 | 48884818 | 100.00 | 25871 | 100.00 | 48884818 | 100.00 |

Shareholders' Profile as on 31st March, 2014

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

| Category | Shares held | % to Total Equity |
|----------------------------------|-------------|-------------------|
| Promoters | | |
| - Core | 2,96,33,442 | 60.62 |
| - Directors, Relatives & Friends | 12,83,350 | 2.63 |
| FII's / NRI's / OCBs | | |
| FI's / Banks / Mutual Funds | 2,49,018 | 0.51 |
| Insurance Companies | 4,47,710 | 0.91 |
| Bodies Corporate | 42,77,274 | 8.75 |
| Public | 1,29,94,024 | 26.58 |
| Total | 4,88,84,818 | 100.00 |

Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to facilitate holding & trading of Company's equity shares in electronic form. Nearly 98.03% of Company's shares are held in electronic form. The Company's shares are regularly traded on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

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

Plant Locations

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

Address for Correspondence

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

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

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

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year 2013-14.

Bangalore
30th May, 2014

Ajit G Nambiar
Chairman & Managing Director

Independent Auditors' Report

To the Members of BPL Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of BPL Limited ("the company"), which comprise of the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 ("the Act"). (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal; control system relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
- e) On the basis of the written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For T Velupillai & Co.,
Chartered Accountants
Firm Registration No. 004592S

Bangalore
30th May, 2014

M S Ram (26687)
Partner

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 of our report, of even date, to the members of BPL Limited for the year ended 31st March, 2014

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) As informed by the management, the company has conducted physical verification of any of its fixed assets at all its locations and the process of reconciliation with books of account is in progress.
- (c) During the year, the company transferred its Health Care Business as a going concern to M/s BPL Medical Technologies Private Limited. The transaction does not affect the going concern status of the Company.
2. (a) Physical verification at reasonable periods in respect of finished goods, stores, spare parts and raw materials are reported to have been made by the management and certified by them accordingly. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies between physical stock and book stock, which were not material, have been properly dealt with in the books of account.
3. The Company has not taken or given any loans, secured or unsecured to or from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

Independent Auditors' Report

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

manufacture of Medical Equipments. However, in respect of Printed Circuit Boards manufactured by the company, the Central Government has prescribed the maintenance of cost records under Section 209 (1)(d) of Companies Act, 1956. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the Company and information and explanation given to us, there have been instances of delays in remittance of undisputed statutory dues including Income Tax Deducted at Source, Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, undisputed amounts payable in respect of customs duty amounting to ₹ 307.29 Lakhs, Service tax dues amounting to ₹ 7.31 Lakhs, Dividend Distribution Tax amounting to ₹ 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.

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

| Name of Dues | Nature of Dispute | (₹ in Lakhs) | Forum where pending |
|----------------|--|--------------|---|
| Central Excise | Eligibility of Exemption from Payment of duty on DC Defibrillator, and penalty | 56.42 | Supreme Court |
| Central Excise | Recovery of CENVAT Credit due to price reduction of inputs | 93.82 | Tribunal |
| Central Excise | Demand of duty on clearance of sample Colour TVs | 3.33 | Tribunal |
| Central Excise | Demand for duty at Higher rate for clearance of CENVAT availed inputs | 19.87 | Commissioner Appeals |
| Central Excise | Demand of duty on clearance of CTV Parts/components/sub-assemblies on SKD condition to OEMs. | 282.05 | Tribunal |
| Central Excise | Penalty for non inclusion of Amortised Cost in value of Plastic Parts | 34.73 | Tribunal |
| Central Excise | Demand for duty on waste of ferric chloride acid sold from the unit | 25.32 | Commissioner Appeals |
| Customs duty | Differential Duty on Imported Cathode Ray Tube | 4.72 | Commissioner-Appeals (Mumbai) |
| Customs duty | Entitlement to Exemption for parts of Defibrillator | 627.61 | CESTAT/Commissioner-(Appeals) |
| Customs duty | Duty on clearance of bonded goods. | 33.33 | CESTAT |
| Sales Tax | Various disallowances and non- submission of 'c' forms | 3017.22 | At various appellate levels ranging from DCCTs (Appeals) to Appellate Tribunals |
| Service Tax | Demand of Service tax on manpower services deemed to have been provided to Sanyo BPL Pvt. Ltd. | 98.48 | Tribunal |
| Service Tax | Reversal of CENVAT credit availed of service tax on outward freight | 3.04 | Commissioner Appeals |

10. The Company's accumulated losses do not exceed 50% of its net worth as at 31st March 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of principal and interest to any bank/financial institution, during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is neither a chit fund nor a nidhi/mutual benefit society. Hence, in our opinion, the requirements of Clause (xiii) of Companies (Auditor's Report) Order, 2003, do not apply to the company.
14. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Hence, in our opinion the requirements of clause (xiv) of Companies (Auditor's Report) Order, 2003, do not apply to the company.
15. According to the information and explanations given to us, the Company has not given any guarantee during the year, for loans taken by others from banks and financial institutions.
16. According to the records of the company, the company has not obtained any term

loans during the year. In case of continuing guarantees, we are unable to express an opinion on whether the terms and conditions are prejudicial to the interests of the company, considering the status of the borrower.

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

For T Velupillai & Co.,
Chartered Accountants
Firm Registration No. 004592S

Bangalore
30th May, 2014

M S Ram (26687)
Partner

Balance Sheet

(₹)

| Particulars | Note No. | As at | |
|---|----------|------------------------------|------------------------------|
| | | 31 st March, 2014 | 31 st March, 2013 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 218,47,26,130 | 218,47,26,130 |
| (b) Reserves and Surplus | 4 | 21,36,85,518 | 148,68,64,883 |
| (2) Non-Current Liabilities | 5 | - | - |
| (a) Other long term liabilities | | 10,32,88,973 | 14,49,01,286 |
| (b) Long term provisions | | 1,71,28,071 | 4,96,12,511 |
| (3) Current Liabilities | 6 | | |
| (a) Trade payables | | 10,78,20,995 | 7,44,01,234 |
| (b) Other current liabilities | | 5,72,28,709 | 10,19,57,542 |
| (c) Short-term provisions | | 19,776 | 19,776 |
| Total | | 268,38,98,172 | 404,24,83,362 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed assets | 7 | | |
| (i) Tangible assets | | 14,61,81,499 | 20,36,51,408 |
| (b) Non-current investments | 8 | 136,45,10,000 | 115,40,10,000 |
| (c) Deferred tax assets (net) | 9 | 68,95,20,888 | 200,56,51,176 |
| (d) Long term loans and advances | 10 | 24,07,22,052 | 22,62,88,175 |
| (e) Other non-current assets | 11 | 4,93,59,827 | 6,03,03,501 |
| (2) Current Assets | | | |
| (a) Current investments | 12 | - | - |
| (b) Inventories | 13 | 1,82,87,433 | 8,06,77,696 |
| (c) Trade receivables | 14 | 3,45,43,879 | 18,39,08,865 |
| (d) Cash and cash equivalents | 15 | 2,94,69,835 | 7,06,65,730 |
| (e) Short-term loans and advances | 16 | 10,99,07,096 | 5,67,09,760 |
| (f) Other current assets | 17 | 13,95,663 | 6,17,051 |
| Total | | 268,38,98,172 | 404,24,83,362 |
| Contingent Liabilities and Commitments | 18 | 62,16,37,137 | 62,71,61,076 |
| Significant Accounting Policies & Notes on Accounts | 1 & 2 | | |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30th May, 2014

Ajit G Nambiar
Chairman & Managing Director

Capt. S Prabhala
Director

D Krishnan
Company Secretary

Statement of Profit and Loss

(₹)

| Particulars | Note No. | For the year ended | |
|---|----------|------------------------------|------------------------------|
| | | 31 st March, 2014 | 31 st March, 2013 |
| I Revenue from Operations (Gross) | 19 | 48,39,78,055 | 99,32,50,385 |
| Less: Excise duty | | 2,57,02,520 | 3,51,89,533 |
| Revenue from Operations (Net) | | 45,82,75,535 | 95,80,60,852 |
| II. Other Income | | 13,86,22,311 | 38,77,23,260 |
| III. Total Revenue (I +II) | | 59,68,97,847 | 134,57,84,112 |
| IV. Expenses | | | |
| Cost of materials consumed | 20 | 22,77,00,160 | 34,79,80,078 |
| Purchase of Stock-in-Trade | 21 | 9,86,77,492 | 34,11,86,530 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | 2,72,17,739 | 39,81,342 |
| Employee benefit expense | 22 | 9,56,02,285 | 14,45,31,044 |
| Financial costs | 23 | 13,79,124 | 3,18,69,415 |
| Depreciation and amortization expense | | 1,09,48,117 | 1,67,44,322 |
| Other expenses | 24 | 11,24,02,231 | 16,69,91,718 |
| Total Expenses | | 55,39,27,148 | 105,32,84,449 |
| V. Profit before exceptional and extra-ordinary items and tax (III - IV) | | 4,29,70,698 | 29,24,99,663 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extra-ordinary items and tax (V - VI) | | 4,29,70,698 | 29,24,99,663 |
| VIII. Extra-ordinary Items | | - | 38,18,643 |
| IX. Profit before tax (VII - VIII) | | 4,29,70,698 | 29,63,18,306 |
| X. Tax expense: | | | |
| (1) Current tax | | | |
| (2) Deferred tax | | (131,61,30,288) | (39,92,08,501) |
| XI. Profit / (Loss) for the period from continuing operations | | (127,31,59,590) | (10,28,90,195) |
| XII. Profit / (Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discounting operations | | - | - |
| XIV. Profit / (Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV. Profit / (Loss) for the period (XI + XIV) | | (127,31,59,590) | (10,28,90,195) |
| XVI. Earning per Equity share : | | | |
| (1) Basic | | (26.04) | (2.10) |
| (2) Diluted | | (26.04) | (2.10) |
| No. of Equity Shares | | 4,88,84,818 | 4,88,84,818 |

As per our report attached

For and on behalf of the Board of Directors

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

M S Ram
Partner
M. No. 026687

Bangalore
30th May, 2014

Ajit G Nambiar
Chairman & Managing Director

Capt. S Prabhala
Director

D Krishnan
Company Secretary

Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|--|------------------------------|------------------------------|
| 3. SHAREHOLDERS' FUNDS | | |
| Share Capital | | |
| 3.1 Equity Share Capital | | |
| 3.1.1 Authorised Equity Share Capital 5,50,00,000 Shares (5,50,00,000 Shares) of ₹ 10/- each | 55,00,00,000 | 55,00,00,000 |
| 3.1.2 Issued, Subscribed and fully Paid-Up 4,88,84,818 Shares (4,88,84,818 Shares) of ₹10/- each | 48,88,48,180 | 48,88,48,180 |
| 3.1.3 There are no shares that have been issued, subscribed and not fully paid up. | | |
| 3.1.4 Forfeited Shares | 9,750 | 9,750 |
| 3.1.5 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment. | - | - |
| 3.1.6 Number of Equity Shares outstanding as at the beginning of the period | 4,88,84,818 | 4,86,70,181 |
| Number of Equity Shares outstanding as at the end of the period | 4,88,84,818 | 4,88,84,818 |
| Shares issued on exercise of Employees Stock Options | - | 2,14,637 |
| 3.1.7 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 1.5 | | |
| Total - Equity Share Capital | 48,88,57,930 | 48,88,57,930 |
| 3.2 Preference Share Capital | | |
| 3.2.1 Authorised Preference Share Capital 1,70,00,000 Shares (1,70,00,000 Shares) of ₹100/- each | 170,00,00,000 | 170,00,00,000 |
| 3.2.2 Issued, Subscribed and fully Paid-Up 1,69,58,682 Shares (1,69,58,682 Shares) of ₹100/- each | 169,58,68,200 | 169,58,68,200 |
| Total - Preference Share Capital | 169,58,68,200 | 169,58,68,200 |
| 3.3 Notes on Share Capital | | |
| 3.3.1 The Company has not issued any securities convertible into equity/preference shares. | | |
| 3.3.2 There are no rights, preferences and restrictions attaching to class of shares mentioned above. | | |
| 3.3.3 During any of the last five years ending 31 st March, 2008 : No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. No shares were allotted as fully paid up by way of bonus shares. No shares were bought back. | | |
| 3.4 Cross References to Notes under other heads - Nil | | |

Notes forming part of Balance Sheet

(₹)

3.5 Shareholders holding 5% and above stake in the company

a) Equity Shares

| Sl. No. | Name | 31st March, 2014 | | 31st March, 2013 | |
|---------|------------------------------------|------------------|-------------------------------|------------------|-------------------------------|
| | | No. of Shares | % to the total Equity Capital | No. of Shares | % to the total Equity Capital |
| 1. | Electro Investment Private Limited | 2,31,02,544 | 47.26 | 2,31,02,544 | 47.26 |
| 2. | Merino Finance Private Limited | 30,77,500 | 6.30 | 30,77,500 | 6.30 |

b) Preference Shares

| Sl. No. | Name | No. of Shares | % to the total Preference Capital | No. of Shares | % to the total Preference Capital |
|---------|----------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| 1. | ER Computers Pvt Ltd | 73,71,837 | 43.47 | 73,71,837 | 43.47 |
| 2. | Electro Investment Pvt Ltd | 15,76,222 | 9.29 | 15,76,222 | 9.29 |
| 3. | Namfil Finance Co Pvt Ltd | 13,23,728 | 7.81 | 13,23,728 | 7.81 |
| 4. | Merino Finance Pvt Ltd | 9,80,429 | 5.78 | 9,80,429 | 5.78 |
| 5. | Oriental Bank of Commerce | 20,00,000 | 11.79 | 20,00,000 | 11.79 |
| 6. | Canara Bank | 18,07,033 | 10.66 | 18,07,033 | 10.66 |

4. Reserves and Surplus

4.1 Reserves

(₹)

| Description | Balance as at 31 st March, 2013 | Additions | Deductions | Balance as at 31 st March, 2014 |
|---|--|-----------|------------|--|
| Capital Redemption Reserve | 53,33,00,000 | - | - | 53,33,00,000 |
| Capital Reserve | 49,800 | - | - | 49,800 |
| Export Incentive Reserve | - | - | - | - |
| Share Premium Account | 184,09,28,868 | - | - | 184,09,28,868 |
| Employees Stock Options-Outstanding Account | - | - | - | - |
| General Reserve | - | - | - | - |
| Total | 237,42,78,668 | - | - | 237,42,78,668 |

4.2 Surplus

| | | | | |
|---|----------------------|----------|----------|---------------------|
| Opening Surplus i.e., Balance in Statement of Profit and Loss | (78,45,03,814) | | | (88,74,13,784) |
| Add : Profit for the period as per XV of Statement of Profit and Loss | (10,28,90,195) | | | (127,31,59,590) |
| Less :Dividend on Preference Shares | 16,959 | | | 16,959 |
| Final Dividend @ 0.001% | | | | |
| Tax on Preference Dividend | 2,817 | | | 2,817 |
| Closing Surplus i.e., Balance in Statement of Profit and Loss | (88,74,13,785) | - | - | (21,16,05,93,150) |
| 4.3 Total - Reserves and Surplus | 148,68,64,883 | - | - | 21,36,85,518 |

4.4 Cross References to Notes under other heads : Nil

Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|--|------------------------------|------------------------------|
| 5. Non-Current Liabilities | | |
| 5.1 Other Long Term Liabilities | | |
| Trade Payables | 10,32,88,973 | 14,49,01,286 |
| Total - Other Long Term Liabilities | 10,32,88,973 | 14,49,01,286 |
| *Trade Payable includes related party balances | | |
| Electro Investment Pvt. Ltd | 82,00,000 | 82,00,000 |
| Dynamic Electronics Pvt. Ltd | 25,00,000 | 25,00,000 |
| ER Computers Pvt. Ltd | 74,03,546 | 58,05,662 |
| Electronic Research Pvt. Ltd | 6,45,92,259 | 4,20,72,259 |
| Orion Construction Co Pvt. Ltd | 16,30,903 | 16,30,903 |
| Phoenix Holdings Pvt. Ltd | 20,41,835 | 20,41,835 |
| 5.2 Long Term Provisions | | |
| Provisions for employees - Gratuity/Superannuation | 1,71,28,071 | 4,96,12,511 |
| Total Non Current Liabilities | 12,04,17,044 | 19,45,13,797 |
| 6. Current Liabilities | | |
| 6.1 Trade Payables | | |
| Trade Payables | 9,25,78,689 | 5,56,65,671 |
| Others | 1,52,42,306 | 1,87,35,563 |
| Total - Trade Payables | 10,78,20,995 | 7,44,01,234 |
| 6.2 Other Current Liabilities | | |
| Trade Deposit & Advances | 2,11,67,097 | 3,37,18,591 |
| Income received in advance | - | 1,15,61,053 |
| Sales Tax & withholding taxes payable | 3,17,66,234 | 4,00,93,337 |
| Employees- Salaries & Benefits | 42,95,377 | 1,65,84,561 |
| Total - Other Current Liabilities | 5,72,28,709 | 10,19,57,541 |
| 6.3 Short Term Provisions | | |
| Provision for employee benefits | | |
| Provision for Preference Dividend | 19,776 | 19,776 |
| Total Short Term Provisions | 19,776 | 19,776 |
| Total - Current Liabilities | 16,50,69,480 | 17,63,78,552 |

7. Non - Current Assets

| Description | Gross Block | | | Depreciation | | | | Net Block | | |
|---|------------------------------------|------------------|--------------------|------------------------------------|------------------------------------|--------------------|-------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2013 | Additions | Deletions | As at 31 st March, 2014 | As at 31 st March, 2013 | For the year | Deletions | As at 31 st March, 2014 | As at 31 st March, 2014 | As at 31 st March, 2013 |
| 7.1 Tangible Assets | | | | | | | | | | |
| Land | 5,57,51,364 | | 1,47,33,968 | 4,10,17,396 | - | - | - | - | 4,10,17,396 | 5,57,51,364 |
| Buildings | 20,21,23,565 | | 1,00,52,106 | 19,20,71,459 | 10,96,28,342 | 42,73,574 | 48,08,962 | 10,90,92,954 | 8,29,78,505 | 9,24,95,223 |
| Plant & Machinery | 10,10,89,185 | 29,67,905 | 2,82,47,837 | 7,58,09,253 | 6,25,07,841 | 44,11,138 | 68,63,881 | 6,00,55,098 | 1,57,54,155 | 3,85,81,344 |
| Computer, Equipments and Net working | 9,23,97,095 | 3,63,170 | 55,87,340 | 8,71,72,925 | 8,64,78,238 | 9,02,015 | 22,30,795 | 8,51,49,458 | 20,23,467 | 59,18,857 |
| Furniture & Fixtures | 16,69,06,253 | 25,200 | 50,84,077 | 16,18,47,376 | 15,92,59,964 | 9,92,309 | 16,15,790 | 15,86,36,483 | 32,10,893 | 76,46,289 |
| Vehicles | 3,48,96,199 | | 6,92,306 | 3,42,03,893 | 3,32,77,719 | 2,24,522 | 4,70,436 | 3,30,31,805 | 11,72,088 | 16,18,480 |
| Research and Developmental Expenditure | 13,43,98,241 | 16,715 | 20,54,447 | 13,23,60,509 | 13,27,58,390 | 1,44,559 | 5,67,435 | 13,23,35,514 | 24,995 | 16,39,851 |
| Total - Tangible & Intangible Assets | 78,75,61,902 | 33,72,990 | 6,64,52,081 | 72,44,82,811 | 58,39,10,494 | 1,09,48,117 | 16,557,299 | 57,83,01,312 | 14,61,81,499 | 20,36,51,408 |
| Previous year | 86,52,94,658 | 79,78,168 | 8,57,10,924 | 78,75,61,902 | 60,14,77,895 | 1,67,44,322 | 3,43,11,723 | 58,39,10,494 | 20,36,51,408 | 26,38,16,762 |

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

7.3 The Company has created a charge in favour of M/s Asia Pragati Capfin Pvt. Ltd (APCL) New Delhi, on the following immovable properties which are offered as collateral security on behalf of its subsidiary, Bharat Energy Ventures Limited (BEVL) in connection with issue of noncumulative debentures of Rs. 23 Crores by BEVL to APCL. a) Land situated at Survey No. 89 together with buildings & structures thereon situated at Cheemasandra Village, Bidarhalli Hobli, Hoskote Taluk, Bangalore Dist. b) Land situated at Survey No. 56/ 57 of Hebbagodi Village, Attibele Hobli, Anekal Taluk, Bangalore Dist. c) Land together with buildings and structures at plot no. 7 (part) at Survey No. 598 situated at Annupparpalayam Village, Ward NO. 5 (New No. 7) Coimbatore Town.

Notes forming part of Balance Sheet

(₹)

| Particulars | No. of Shares | 31 st March, 2014 | No. of Shares | 31 st March, 2013 |
|--|---------------|------------------------------|---------------|------------------------------|
| 8. Non-Current Investments | | | | |
| 8.1 Trade Investments (at cost) | | | | |
| Investment in Subsidiary Companies | 11,54,00,000 | 115,40,00,000 | 11,54,00,000 | 115,40,00,000 |
| Total - Trade Investments | | 115,40,00,000 | | 115,40,00,000 |
| 8.2 Other Investments (at cost) | | | | |
| Investment in Partnership Firms | | 3,88,04,549 | | 3,88,04,549 |
| Investment in Joint Ventures | 2,26,90,000 | 22,69,00,000 | 2,26,90,000 | 22,69,00,000 |
| Investments in Traded Companies - Quoted | 4,15,000 | 1,14,93,325 | 4,15,000 | 1,14,93,325 |
| Investments in Traded Companies - Un-quoted | 3,68,50,980 | 81,83,43,408 | 1,58,00,980 | 60,78,43,408 |
| Total - Other Investments | | 109,55,41,282 | | 88,50,41,282 |
| 8.3 Total of 8.1 and 8.2 | | 2,24,95,41,282 | | 2,03,90,41,282 |
| Less: Provision for diminution in the value of investments | | 88,50,31,282 | | 88,50,31,282 |
| Total - Trade Investments & Other Investments | | 136,45,10,000 | | 115,40,10,000 |
| 8.4 Details of Trade Investments | | | | |
| 8.4.1 Equity Instruments - fully paid - Un-quoted | | | | |
| Bharat Energy Ventures Limited : 11,54,00,000 Equity Shares of ₹ 10/- each fully paid-up | 11,54,00,000 | 115,40,00,000 | 11,54,00,000 | 115,40,00,000 |
| 8.4.2 General Information | | | | |
| Aggregate value of Investments:- | | | | |
| Quoted at Cost | | | | |
| At Market Value | | | | |
| Un-quoted at Cost | | 136,45,10,000 | | 115,40,10,000 |
| 8.5 Details of Other Investments | | | | |
| 8.5.1 Investments in Traded Companies - Quoted | | | | |
| Equity Instruments - Fully Paid - Quoted | | | | |
| B S Appliances Limited : 81,000 Equity Shares of ₹ 10/- each, fully paid up (Market value: Nil) | 81,000 | 33,50,375 | 81,000 | 33,50,375 |
| BPL Engineering Limited : 3,34,000 Equity Shares of ₹ 10/- each, fully paid up (Market value: Nil) | 3,34,000 | 81,42,950 | 3,34,000 | 81,42,950 |
| 8.5.2 Investments in Traded Companies - Un-quoted | | | | |
| Equity Instruments - Fully Paid - Un-quoted | | | | |
| BPL Telecom Private Limited : 25,96,980 Equity Shares of ₹ 10/- each, fully paid up | 25,96,980 | 21,59,58,986 | 25,96,980 | 21,59,58,986 |
| BPL Management Services Limited : 89,91,000 Equity Shares of ₹ 10/- each, fully paid up | 89,91,000 | 8,99,09,910 | 89,91,000 | 8,99,09,910 |

Notes forming part of Balance Sheet

(₹)

| Particulars | No. of Shares | 31 st March, 2014 | No. of Shares | 31 st March, 2013 |
|---|---------------|------------------------------|---------------|------------------------------|
| BPL Techno Vision Private Limited : 1000 Equity Shares of ₹ 10/- each, fully paid up | 1,000 | 10,000 | 1,000 | 10,000 |
| Electronic Research Private Limited : 35,75,000 Equity Shares of ₹ 10/- each, fully paid up | 35,75,000 | 3,57,50,000 | 35,75,000 | 3,57,50,000 |
| Kleer Industries Inc. (USA) : 87,000 Shares of 7 USD each | 87,000 | 2,05,99,443 | 87,000 | 2,05,99,443 |
| 5,50,000 Shares of 10 USD each | 5,50,000 | 24,56,15,069 | 5,50,000 | 24,56,15,069 |
| BPL Medical Technologies Pvt Ltd 2,10,50,000 Equity Shares of Rs. 10/- each fully paid up | 2,10,50,000 | 21,05,00,000 | - | - |
| 8.5.3 Joint Venture Companies | | | | |
| Equity Instruments - Fully Paid - Un-quoted | | | | |
| Sanyo BPL Private Limited : 2,26,90,000 Equity Shares of ₹ 10/- each, fully paid up | 2,26,90,000 | 22,69,00,000 | 2,26,90,000 | 22,69,00,000 |
| 8.5.4 Investment in Partnership Firms | | | | |
| Kodi Properties and Finance | | 3,78,41,790 | | 3,78,41,790 |
| Wellworth Electronics | | 9,62,759 | | 9,62,759 |
| 9. Deferred Tax Assets (Net) | | | | |
| 9.1 Assets | | | | |
| Others (Carried forward business loss and unobserved depreciation) | | 68,95,20,888 | | 200,56,51,176 |
| 9.2 Net Deferred Tax Asset | | 68,95,20,888 | | 200,56,51,176 |
| 10. Long Term Loans and Advances | | | | |
| 10.1 Loans and advances to related parties | | | | |
| Unsecured, considered good | | 24,07,22,051 | | 22,62,88,175 |
| 10.2 Total of Long Term Loans and Advances | | 24,07,22,051 | | 22,62,88,175 |
| 11. Other Non-Current Assets | | | | |
| 11.1 Others (Security Deposit) | | | | |
| Secured, considered good | | 4,93,59,827 | | 6,03,03,501 |
| 11.2 Total of other non-current assets | | 4,93,59,827 | | 6,03,03,501 |
| 12. Current Investments | | - | - | |
| 13. Inventories | | | | |
| 13.1 Valued at Lower of Cost or Realisable value | | | | |
| Raw Materials | | 1,41,48,578 | | 2,62,37,326 |
| Work in Progress | | 9,70,509 | | 88,48,066 |
| Finished Goods | | 60,181 | | 1,94,00,363 |
| Stores and Spares | | 31,08,165 | | 2,61,91,941 |
| Total Inventories | | 1,82,87,433 | | 8,06,77,696 |

Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|---|------------------------------|------------------------------|
| 14. Trade Receivables | | |
| 14.1 Outstanding for a period more than six months from the due date of payment | | |
| Unsecured considered good | 47,43,852 | 14,94,312 |
| Unsecured considered doubtful | 11,59,462 | 17,28,000 |
| Less:- Provison for Doubtful receivables | 11,59,462 | 17,28,000 |
| | <u>47,43,852</u> | <u>14,94,312</u> |
| 14.2 Other Trade Receivables | | |
| Outstanding for a period less than six months from the due date of payment | | |
| Unsecured considered good | 2,98,00,026 | 18,24,14,552 |
| Total Trade Receivables | <u>3,45,43,878</u> | <u>18,39,08,864</u> |
| 15. Cash and bank balances | | |
| 15.1 Cash and Cash equivalents* | | |
| Cash on hand* | 16,492 | 1,74,852 |
| Total - Cash and Cash equivalents | <u>16,492</u> | <u>1,74,852</u> |
| 15.2 Other Bank Balances | | |
| includes earmarked balances: | | |
| Bank Balances : | | |
| (i) Current Account | 50,01,079 | 3,79,92,834 |
| (ii) Deposit Account | 2,44,52,264 | 3,24,98,044 |
| Total - Bank Balances | <u>2,94,53,343</u> | <u>7,04,90,878</u> |
| Total of Cash and Bank Balances | <u>2,94,69,835</u> | <u>7,06,65,730</u> |
| 16. Short Term Loans and Advances | | |
| 16.1 Advance payment of income tax & wealth tax (including TDS) | 5,12,54,091 | 5,10,07,274 |
| 16.2 Deposits/Balances with Excise / Sales Tax Authorities | 48,89,525 | 39,76,610 |
| 16.3 Loans & Advances to Employees | 4,73,681 | 17,25,876 |
| 16.4 Others | | |
| Secured, considered good | 5,32,89,799 | - |
| 16.5 Total - Short Term Loans and Advances | <u>10,99,07,096</u> | <u>5,67,09,759</u> |
| 17. Other Current Assets | | |
| Interest Accured | 13,95,663 | 6,17,051 |
| | <u>13,95,663</u> | <u>6,17,051</u> |
| 18. Contingent Liabilities and Commitments | | |
| 18.1 Contingent Liabilities | | |
| Claims against the company not acknowledged as debt | | |
| Cental Excise | 5,15,55,820 | 4,90,23,392 |
| Customs | 6,65,66,447 | 6,65,66,447 |
| Service Tax | 10,15,211 | 98,48,238 |
| Sales Tax | 30,24,99,659 | 30,17,22,999 |
| Guarantees | 20,00,00,000 | 20,00,00,000 |
| 18.2 Total - Contingent Liabilities and Commitments | <u>62,16,37,137</u> | <u>62,71,61,076</u> |

Other Notes to Balance Sheet

In the opinion of the Board, none of the assets has a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.

Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | | 31 st March, 2013 | |
|---|------------------------------|---------------------|------------------------------|---------------------|
| 19. Revenue | | | | |
| 19.1 Revenue from Operations | | | | |
| Sale of Products | 47,30,69,053 | | 96,43,50,405 | |
| Sale of Services | 1,09,09,002 | | 2,88,99,980 | |
| Other Operating Revenue | - | | - | |
| Less: Excise Duty | 2,57,02,520 | | 3,51,89,533 | |
| Net Sales | | <u>45,82,75,535</u> | | <u>95,80,60,852</u> |
| 19.2 Other Income | | | | |
| Interest Income | 2,043,993 | 2,043,993 | 24,46,543 | 24,46,543 |
| Net gain / loss on sale of Fixed Assets | 5,24,74,203 | 5,24,74,203 | 37,34,83,513 | 37,34,83,513 |
| Other non-operating income - Net | 8,41,04,115 | 8,41,04,115 | 1,10,69,153 | 1,10,69,153 |
| Other than non-operating income - Net | - | - | 7,24,051 | 7,24,051 |
| Total - Other Income | | <u>13,86,22,311</u> | | <u>38,77,23,260</u> |
| 20. Raw Materials Consumed | | | | |
| Opening Stock | 2,62,37,326 | | 3,25,58,459 | |
| Raw & Process Material Purchased | 18,01,17,513 | | 26,94,12,447 | |
| Power & Fuel | 95,64,283 | | 97,32,070 | |
| Stores, Spares & Packing Materials Consumed | 59,29,615 | | 6,25,14,428 | |
| Closing Stock | (1,41,48,578) | | (2,62,37,326) | |
| Total - Raw materials consumed | | <u>20,77,00,160</u> | | <u>34,79,80,078</u> |
| 21. Purchase of Stock-in-Trade | 9,86,77,492 | 9,86,77,492 | 34,11,86,530 | 34,11,86,530 |
| Changes in Inventories | | | | |
| Stock at Opening - Finished Goods | 1,94,00,363 | | 2,44,98,315 | |
| Stock at Opening - Work in Process | 88,48,066 | | 77,31,456 | |
| Total - Opening Stock | | 2,82,48,429 | | 3,22,29,771 |
| Stock at Closing - Finished Goods | 60,181 | | 1,94,00,363 | |
| Stock at Closing - Work in Process | 9,70,509 | | 88,48,066 | |
| Total - Closing Stock | | 10,30,690 | | 2,82,48,429 |
| (Increase)/Decrease in Stocks | | <u>2,72,17,739</u> | | <u>39,81,342</u> |
| 22. Employee Benefits | | | | |
| Salaries and Wages | 6,10,42,319 | | 12,37,48,119 | |
| Contribution to Provident and other funds | 2,36,02,865 | | 87,37,170 | |
| Director's Remuneration (Ref. Note 2.12) | 82,56,000 | | 82,56,000 | |
| Staff welfare expenses | 27,01,101 | | 37,89,755 | |
| Total - Employee Benefits | | <u>9,56,02,285</u> | | <u>14,45,31,044</u> |
| 23. Finance Costs | | | | |
| Interest on Overdrafts/Others | - | | 2,90,33,783 | |
| Other Borrowing Cost | 13,79,124 | | 28,35,632 | |
| Total - Finance Costs | | <u>13,79,124</u> | | <u>3,18,69,415</u> |
| 24. Other Expenses | | | | |
| Advertisemet & Publicity | 12,60,476 | | 57,99,451 | |
| Auditors Remuneration | 7,47,194 | | 10,56,464 | |
| Bad Debts Written Off | 1,67,72,722 | | 17,21,746 | |
| Selling Expenses | 12,99,061 | | 36,23,839 | |
| Commission on Sales | 59,41,061 | | 45,83,752 | |
| Communication Expenses | 42,01,363 | | 95,15,040 | |
| Conveyance & Travelling | 1,37,79,477 | | 2,76,62,938 | |
| Directors Sitting Fees | 3,70,000 | | 2,70,000 | |
| Discounts & AMC Reimbursement | 77,20,419 | | 1,83,92,246 | |

Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | | 31 st March, 2013 | |
|--------------------------------------|------------------------------|---------------------|------------------------------|---------------------|
| Donations | - | | 50,000 | |
| Foreign Exchange Fluctuation | 6,06,858 | | 12,88,255 | |
| Freight Charges | 87,45,784 | | 1,58,98,992 | |
| Insurance Expenses | 23,28,033 | | 42,41,969 | |
| Legal & Professional | 2,69,49,231 | | 2,25,51,836 | |
| Miscellaneous Expenses | 2,88,185 | | 4,71,754 | |
| Office Maintenance | 98,20,312 | | 1,85,07,472 | |
| Printing & Stationary | 9,45,340 | | 16,60,582 | |
| Rates & Taxes | 33,61,412 | | 68,27,839 | |
| Rent | 4,267,400 | | 1,15,91,714 | |
| Repair & Maintenance P&M | 23,82,163 | | 27,47,614 | |
| Staff Recruitment & Training | 65,259 | | 1,64,012 | |
| Vehicle Operating Expense | 5,50,481 | | 10,96,825 | |
| Assets Written off | - | | 72,67,379 | |
| Total Other Expenses | | 11,24,02,231 | | 16,69,91,718 |
| 24.1 Auditors' Remuneration | | | | |
| Audit Fees | 4,00,000 | | 5,00,000 | |
| Tax Audit Fees | 75,000 | | 75,000 | |
| Reimbursement of Expenses | 40,000 | | 40,000 | |
| Taxation matters | 80,000 | | 3,00,000 | |
| Certification Charges | 28,090 | | 50,000 | |
| Service Tax | 1,24,104 | | 91,464 | |
| Total | | 7,47,194 | | 10,56,464 |
| 24.2 CIF Value of Imports | | | | |
| Raw materials | 8,85,60,845 | | 8,03,49,217 | |
| Components/parts | 5,31,78,175 | | 40,90,51,192 | |
| Total | | 14,17,39,020 | | 48,94,00,409 |
| 24.3 Expenditure in Foreign Currency | | | | |
| Professional Charges | - | | 2,64,739 | |
| Travelling | 2,43,352 | | 2,97,199 | |
| Total | | 2,43,352 | | 5,61,938 |
| 24.4 Raw Materials Consumed | | | | |
| Imported | 24,00,77,528 | | 50,39,89,196 | |
| Imported % to total | | 78.36 | | 73.10 |
| Indigenous | 6,63,00,124 | | 18,51,77,413 | |
| Indigenous % to total | | 21.64 | | 26.90 |
| Total | 30,63,77,652 | 100.00 | 68,91,66,609 | 100.00 |
| 24.5 Earnings in Foreign Currency | | | | |
| Export of goods on F.O.B. basis | | 4,84,177 | | 5,13,071 |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30th May, 2014

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

D Krishnan

Company Secretary

Cash Flow Statement

(₹)

| Particulars | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2014 | 31 st March, 2013 |
| A. Cash Flow from Operating Activities | | |
| Net Profit / (Loss) before exceptional, extra-ordinary items and tax | 4,29,70,699 | 29,24,99,663 |
| <i>Adjustments for:</i> | | |
| Depreciation and Amortisation | 1,09,48,117 | 1,67,44,322 |
| Provision for impairment of fixed assets and intangibles | | |
| Amortisation of share issue expenses and discount of shares | | |
| (Profit)/Loss on sale / write off of assets | (5,24,74,203) | (37,34,83,513) |
| Expense on Employee Stock Option Scheme | | (40,87,361) |
| Finance Costs | 13,79,124 | 3,18,69,415 |
| Interest Income | (20,43,993) | (24,46,543) |
| | (4,21,90,955) | (33,14,03,681) |
| Operating Profit/(Loss) before working capital changes | 7,79,745 | (3,89,04,018) |
| <i>Changes in Working Capital:</i> | | |
| <i>Adjustments for (increase)/decrease in operating assets:</i> | | |
| Inventories | 6,23,90,263 | 1,36,21,203 |
| Trade receivables | 14,93,64,986 | (5,44,14,950) |
| Short-term loans and advances | (5,31,97,336) | 17,06,045 |
| Long-term loans and advances | (1,44,33,877) | 2,65,12,794 |
| Other current assets | (7,78,612) | (5,05,512) |
| Other non-current assets | 1,09,43,674 | 36,62,474 |
| <i>Adjustments for increase/(decrease) in operating liabilities:</i> | | |
| Trade payables | 3,34,19,761 | (7,38,65,119) |
| Other current liabilities | (4,47,28,833) | 1,36,60,154 |
| Other long-term liabilities | (4,16,12,313) | (2,15,17,396) |
| Short-term provisions | - | - |
| Long-term provisions | (3,24,84,440) | 26,88,707 |
| | 6,88,83,273 | (8,84,51,600) |
| | 6,96,63,018 | (12,73,55,618) |

Cash Flow Statement

(₹)

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2014 | 31 st March, 2013 |
| Cash flow from extra-ordinary items | | - |
| Cash generated from operations | 6,96,63,018 | (12,73,55,618) |
| Net Income Tax (paid)/refunds | - | (17,61,988) |
| Net cash flow from/ (used in) operating activities (A) | 6,96,63,018 | (12,55,93,630) |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | - | (79,78,168) |
| Proceeds from sale of fixed assets | 9,89,95,995 | 42,48,82,713 |
| Interest received | - | - |
| - Others | 20,43,993 | 24,46,543 |
| Cash flow from extra-ordinary items | - | - |
| Net cash flow from / (used in) investing activities (B) | 10,10,39,988 | 41,93,51,088 |
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares | | 21,46,370 |
| Purchase of Equity Shares | (21,05,00,000) | |
| Repayment of long-term borrowings | | (25,00,00,000) |
| Finance cost | (13,79,124) | (3,18,69,415) |
| Dividends paid | (16,959) | (16,959) |
| Tax on dividend | (2,817) | (2,817) |
| Cash flow from extraordinary items | | |
| Net cash flow from / (used in) financing activities (C) | (21,18,98,900) | (27,97,42,821) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (4,11,95,894) | 1,40,14,638 |
| Cash and cash equivalents at the beginning of the year | 7,06,65,730 | 5,66,51,092 |
| Cash and cash equivalents at the end of the year | 2,94,69,835 | 7,06,65,730 |

As per our report attached

For and on behalf of the Board of Directors

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

M S Ram
Partner
M. No. 026687

Ajit G Nambiar
Chairman & Managing Director

Capt. S Prabhala
Director

Bangalore
30th May 2014

D Krishnan
Company Secretary

Notes to Accounts

Notes attached to and forming part of the Accounts for the Period ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General

The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956/2013 as adopted consistently by the company.

1.2 Fixed Assets

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

1.3 Depreciation

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

1.4 Investments

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

1.5 Inventories

Inventories are valued as under:

Finished Goods : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

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

Goods in transit : At cost

1.6 Foreign Currency Transaction

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

1.7 Research and Development

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

1.8 Retirement Benefit

Contribution to recognised Provident Fund is made at predetermined rates. The Company has an arrangement with Life Insurance Corporation of India to administer its Gratuity and Superannuation Schemes. The Gratuity liability calculated as per Actuarial Valuation is ₹ 68.88 Lakhs for existing employees and for exit employees, it is ₹ 79.90 Lakhs. The following table sets out the status of the plan as required under AS 15:

(₹)

| Gratuity computations as on 31 st March, 2014 | | | |
|--|--|-------------|-------------|
| | | 31.03.2014 | 31.03.2013 |
| | Defined Benefit Plans - Gratuity - Funded Obligation | | |
| i. | Actuarial Assumptions | | |
| | Discount Rate (per annum) | 9.12% | 8.25% |
| | Expected return on plan assets | 9.12% | 8.00% |
| | Salary escalation rate | 5.00% | 5.00% |
| | Expected average future service (years) | 18.42 | 18.83 |
| ii. | Reconciliation of present value of obligation | | |
| | Obligations at period beginning - Current | 21,68,435 | 21,08,154 |
| | Obligations at period beginning - Non-current | 2,17,53,023 | 2,31,18,437 |

Notes to Accounts

| | | | |
|------|---|---------------|---------------|
| | Current Service Cost | 2,64,035 | 10,23,456 |
| | Interest Cost | 56,403 | 20,11,396 |
| | Actuarial (gain)/loss | 2,95,98,693 | (26,47,917) |
| | Benefits Paid | (4,66,06,010) | (16,92,068) |
| | Present value of obligation at end of the year | 72,34,579 | 2,39,21,458 |
| | Current Liability (within 12 months) | 5,27,836 | 21,68,435 |
| | Non-Current Liability | 67,06,743 | 2,17,53,023 |
| iii. | Change in plan assets | | |
| | Plan assets at period beginning at fair value | 37,64,268 | 34,80,599 |
| | Expected return on plan assets | 21,141 | 2,78,448 |
| | Actuarial gain/(loss) | 60,776 | 5,221 |
| | Contributions | - | - |
| | Benefits settled | - | - |
| | Contribution for Benefits settled directly by company | 4,66,06,010 | - |
| | Benefits settled directly by the company | (4,66,06,010) | - |
| | Plan assets at period end, at fair value | 3,46,185 | 37,64,268 |
| iv. | Net Asset/(Liability) recognised in Balance Sheet | | |
| | Present value of obligation at end of the year | 72,34,579 | 2,39,21,458 |
| | Fair Value of plan assets at end of the year | 3,46,185 | 37,64,268 |
| | Net Asset/(Liability) recognized in the balance sheet | (68,88,393) | (2,01,57,190) |
| v. | Expenses recognised in the Statement of Profit & Loss | | |
| | Current Service Cost | 2,64,035 | 10,23,456 |
| | Interest Cost | 56,403 | 20,11,396 |
| | Expected return on plan assets | (21,141) | (2,78,448) |
| | Actuarial (gain)/loss recognised in the period | - | (26,53,138) |

The Company had discontinued the Superannuation Scheme effective November 2011. The crystallized liability under Superannuation Scheme as on 31st March, 2014 was ₹ 22.50 lakhs.

1.9 Borrowing Cost

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

1.10 Revenue Recognition

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

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

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

1.11 Contingent Liability

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

2. NOTES ON ACCOUNTS

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

Notes to Accounts

2.2 Quantitative Particulars

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

| Products | Opening Stock | Closing Stock |
|---------------------|---------------|---------------|
| Medical Electronics | 1,175 | - |

b. Production

| Products | Installed Capacity (Nos.) | Actual production | |
|---------------------|---------------------------|-------------------|----------------|
| | | 2013-14 (Nos.) | 2012-13 (Nos.) |
| Medical Electronics | 20,000 | 2,888 | 8,411 |

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

c. Traded Goods

| Products | 2013-14 | | 2012-13 | |
|---------------------------------|---------------|--------------|---------------|--------------|
| | Quantity Nos. | Value ₹ | Quantity Nos. | Value ₹ |
| Purchases : Medical Electronics | 2,977 | 10,30,30,482 | 11,019 | 32,54,40,480 |

d. Sales

| Products | 2013-14 | | 2012-13 | |
|------------------------|---------------|---------------------|---------------|---------------------|
| | Quantity Nos. | Value ₹ | Quantity Nos. | Value ₹ |
| Domestic | | | | |
| Medical Electronics | 7,036 | 44,01,02,641 | 19,603 | 78,57,82,669 |
| Service Charges | | 40,76,152 | | 2,88,99,980 |
| Components, Spares Etc | | 3,93,15,085 | | 17,64,07,715 |
| | | <u>48,34,93,878</u> | | <u>99,10,90,364</u> |
| Exports | | | | |
| Medical Electronics | 4 | 4,84,177 | 68 | 21,60,021 |
| | | <u>4,84,177</u> | | <u>21,60,021</u> |
| | | <u>48,39,78,055</u> | | <u>99,32,50,385</u> |

2.3 Share Capital

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

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

ten equal installments commencing from 31st March, 2008. The Company is yet to redeem these preference shares and the amount outstanding as on 31st March 2014, was ₹ 17 crores.

2.4 There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.

2.5 As the company has no qualifying assets as defined in Accounting Standard 16, amount of borrowing cost that are directly attributable to the acquisition, construction

Notes to Accounts

or production of a qualifying asset have not been capitalised.

2.6 In accordance with the provisions of Accounting Standard 17, the Company has only one reporting

segment viz, Electronic Industry. Segmental reporting as defined is therefore not applicable.

2.7 Related Party disclosure in accordance with Accounting Standard 18:

(Amt. in ₹)

| Related Parties : Apr 13 to March 14 | Opening Balance | Transaction during the year | | Closing Balance | Nature of Relation | Nature of Transaction |
|--|-----------------|-----------------------------|-------------|-----------------|-------------------------------------|-------------------------|
| | | Dr | Cr | | | |
| Bharat Energy Ventures Limited | 19,35,49,279 | - | - | 20,91,78,635 | Subsidiary | |
| BPL Telecom Private Limited | | 1,56,29,356 | | | | |
| 1) | (4,08,398) | | | 1,139 | Co. in which Directors have control | |
| 2) | | 2,71,157 | | | | Payments made |
| 3) | | 17,02,572 | | | | Revenue billed |
| 4) | | | 17,05,712 | | | Payment received |
| 5) | | | 2,28,419 | | | Purchase Accounted |
| | | | 4,49,135 | | | Written off |
| BPL Technovision Private Limited | (9,41,134) | | | (76,55,922) | Co. in which Directors have control | |
| 1) | | 4,496 | | | | Rent |
| 2) | | 23,41,088 | | | | Revenue billed |
| 3) | | 5,26,119 | | | | Payment made |
| 4) | | | 85,00,000 | | | Payment made |
| 5) | | | 1,10,64,148 | | | Payment received |
| 6) | | | 4,04,611 | | | Transfer to BPL Medical |
| | | | 25,64,148 | | | Payment received |
| NI Micro Technologies Private Limited | 8,37,732 | | | | Co. in which Directors have control | |
| 1) | | | 14,68,849 | | | Purchase accounted |
| 2) | | 16,03,561 | | | | Payment made |
| 3) | | | 9,72,444 | | | Written off |
| Dynamics Electronics Private Limited | (25,00,000) | | | (25,00,000) | Co. in which Directors have control | |
| Phoenix Holdings Private Limited | 20,41,835 | | | (20,41,835) | Co. in which Directors have control | |
| 1) | | | | | | |
| Electro Investment Private Limited | (82,00,000) | | | (82,00,000) | Co. in which Directors have control | |
| ER Computers Private Limited | 58,05,662 | | | 74,03,546 | Co. in which Directors have control | |
| 1) | | | 31,74,204 | | | Rent payable accounted |
| 2) | | 15,76,320 | | | | Payment made |
| Orion Constructions Company Private Ltd. | (16,30,903) | | | (16,30,903) | Co. in which Directors have control | |
| Electronic Research Private Limited | (4,20,72,259) | | | (6,76,49,759) | Co. in which Directors have control | |
| 1) | | | 2,55,77,500 | | | Payment received |
| Mr. Ajit G Nambiar | (401044.00) | 48,79,941 | 49,35,219 | (4,56,322) | Chairman & Managing Director | Remuneration |

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

As Lessor:

(₹ in lakhs)

| | 31 st March | |
|--|------------------------|--------|
| | 2014 | 2013 |
| Lease rentals recognized during the period | 34.18 | 34.18 |
| As Lessee: | | |
| Lease rentals paid during the period | 42.67 | 115.92 |
| Lease obligations payable within one year | 42.67 | 115.92 |

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

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

(₹)

| | |
|--|---------------|
| Unabsorbed depreciation | 30,59,85,551 |
| Long term Capital Loss | 7,50,53,226 |
| Unabsorbed carry forward business loss | 30,84,82,111 |
| Total | 68,95,20,888 |
| Deferred Tax Asset | 68,95,20,888 |
| Less: Opening Deferred Tax Asset | 200,56,51,176 |
| Deffered Tax Asset for the year | 131,61,30,288 |

Notes to Accounts

- 2.10 The amount provided by the company in the books of account towards gratuity is sufficient to cover the actuarial value of liability as certified by an external valuer. However, due to shortage of funds, the company is yet to fund the full actuarial liability under the scheme administered by LIC of India. Contribution to Superannuation Fund (defined Contribution Plan) is yet to be funded to LIC of India due to shortage of funds. As per the agreement with employees, the company has no liability for payment of leave encashment to its employees.
- 2.11 The company has obtained confirmation of balances from its debtors. The balances due to creditors including Group Companies are subject to confirmation/reconciliation.
- 2.12 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter B70022835/2013-CL-VII dated 17th October, 2013.
- 2.13 Previous year's figures have been regrouped/ reclassified, wherever necessary, to correspond with the current year's classification/disclosure.
- Scheme of Arrangement for reduction of capital: During the year, the Company has charged a sum of ₹ 131.61 crores being the losses earlier treated as Deferred Tax Asset (DTA) to the Statement of Profit & Loss as per the Accounting Standards. The 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 the SEBI and Stock Exchanges and the company is in the process of seeking the approval of members and the relevant court. Accordingly, the share premium account and the balance in Statement of Profit & Loss represent residual figures, if any.

Employees Stock Option Scheme (ESOP) : The last date for exercising the stock options granted to the eligible employees and directors of the company was 8th November, 2012 and the details of options exercised, lapsed and other relevant particulars were covered in the previous financial year. Since, the company has not granted any further options later and accordingly, the details as required to be furnished under ESOP scheme is not applicable to the current financial year.

Pursuant to the Business Transfer Agreement (BTA) executed by the company (i.e. BPL Limited) with BPL Medical Technologies Private Limited (BMTPL), the Company's health care business was transferred to BMTPL with effect from 10th August, 2013, as a slump sale on a going concern basis, at a consideration of ₹ 21.05 crores (Rupees twenty one crores and five lakhs only), (consideration is other than cash), for which BMTPL had allotted 2,10,50,000 equity shares of Rs.10/- each, at par and accordingly, BPL Limited holds 48% of the total share equity capital of BMTPL as on 31st March, 2014.

As per our report attached

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

M S Ram
Partner
M. No. 026687

Bangalore
30th May, 2014

For and on behalf of the Board of Directors

Ajit G Nambiar
Chairman & Managing Director

Capt. S Prabhala
Director

D Krishnan
Company Secretary

Disclosure on Subsidiaries of the Company

Disclosure made in respect of Subsidiary Companies pursuant to the General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, for the year ended 31st March, 2014.

(₹ in lakhs)

| 1. | Name of the Subsidiary | Bharat Energy Ventures Limited | BPL Power Projects (AP) Private limited | BPL Medical Technologies Private Limited |
|----|---|--------------------------------|---|--|
| a) | Capital | 13610.90 | 30319.35 | 4385.42 |
| b) | Reserves | (4173.32) | Nil | 2876.77 |
| c) | Total Assets | 17816.53 | 31231.56 | 9419.86 |
| d) | Total Liabilities | 17816.53 | 31231.56 | 9419.86 |
| e) | Details of Investments (except in case investment in the subsidiaries) | 19.00 | Nil | Nil |
| f) | Turnover | Nil | Nil | 6468.53 |
| g) | Profit before Taxation | (1103.95) | NA | (1069.72) |
| h) | Provision for Taxation | NA | NA | NA |
| i) | Profit after Taxation | (1103.95) | NA | (1069.72) |
| j) | Proposed Dividend | NA | NA | NA |

Independent Auditors' Report

To Board of Directors of BPL Limited,

We have audited the accompanying Consolidated financial statements of BPL Limited ("the company") and its subsidiaries, which comprise of the Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

- The accounts of M/s BPL Power Projects (AP) Pvt Ltd have been prepared on a going concern basis, however considering various factors affecting the going concern assumption reported in the auditors report on the separate financial statements of the Company, we are of view that the factors underlying going concern assumption at BPL Power Projects (AP) Pvt Ltd., no longer exist.
- The accounts of the following subsidiary has not been consolidated in view of clause 11(b) of Accounting Standard 21;
BPL Display Devices Limited - under liquidation
The impact, if any, of audit qualifications of the above companies is, therefore, not dealt with in this report.
- The share of interest in Joint Venture Company namely Sanyo BPL Private Limited, where BPL Limited holds 50% interest, has not been considered in the Consolidated Accounts, since the company is under voluntary liquidation.

Opinion

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

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For T Velupillai & Co.,
Chartered Accountants
Firm Registration No.004592S

Bangalore
30th May, 2014

M S Ram(26687)
Partner

Consolidated Balance Sheet

(₹)

| Particulars | Note No. | As at | |
|--|----------|------------------------------|------------------------------|
| | | 31 st March, 2014 | 31 st March, 2013 |
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 395,96,61,163 | 360,82,75,257 |
| (b) Reserves and Surplus | 4 | 32,46,27,033 | 134,80,96,855 |
| (c) Money received against | | | |
| (2) Share Application Money - pending allotment | | 15,12,75,947 | 14,24,75,947 |
| (3) Non-Current Liabilities | 5 | | |
| (a) Long-term borrowings | | 10,00,000 | 23,10,00,000 |
| (b) Deferred tax liabilities (Net) | | 6,10,000 | 6,10,000 |
| (c) Other Long term liabilities | | 40,56,04,617 | 35,30,94,536 |
| (d) Long term provisions | | 9,95,37,569 | 5,95,15,991 |
| (4) Current Liabilities | 6 | | |
| (a) Short term borrowings | | - | - |
| (b) Trade payables | | 31,71,82,324 | 15,64,20,730 |
| (c) Other current liabilities | | 13,60,04,209 | 21,23,98,643 |
| (d) Short-term provisions | | 8,42,17,557 | 2,32,576 |
| Total | | 547,97,20,418 | 611,21,20,536 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed assets | 7 | | |
| (i) Tangible assets | | 37,98,36,566 | 31,96,36,368 |
| (ii) Intangible assets | | - | - |
| (iii) Capital Work-in-progress | | 305,74,57,963 | 299,49,63,394 |
| (iv) Intangible assets under development | | 21,85,050 | - |
| (b) Non-Current investments | 8 | 19,10,000 | 10,000 |
| (c) Deferred tax assets (net) | 9 | 68,95,20,888 | 200,56,51,176 |
| (d) Long term loans and advances | 10 | 30,21,38,001 | 33,69,69,307 |
| (e) Other non-current assets | 11 | 4,93,59,827 | 6,03,03,501 |
| (2) Current assets | | | |
| (a) Current investments | 12 | - | - |
| (b) Inventories | 13 | 21,41,01,413 | 8,06,77,696 |
| (c) Trade receivables | 14 | 26,75,91,804 | 18,39,08,864 |
| (d) Cash and Bank balances | 15 | 34,47,80,093 | 7,12,81,232 |
| (e) Short-term loans and advances | 16 | 15,87,24,856 | 5,79,34,028 |
| (f) Other current assets | 17 | 1,21,13,955 | 7,84,969 |
| Total | | 547,97,20,418 | 611,21,20,536 |
| Contingent Liabilities and Commitments | 18 | 62,16,37,137 | 62,71,61,076 |
| Significant Accounting Policies & Notes on Accounts | 1 & 2 | | |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30th May, 2014

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

D Krishnan

Company Secretary

Consolidated Statement of Profit and Loss

(₹)

| Particulars | Note No | For the year ended | |
|---|---------|------------------------------|------------------------------|
| | | 31 st March, 2014 | 31 st March, 2013 |
| I Revenue from Operations (Gross) | 17 | 111,61,64,925 | 99,32,50,385 |
| Less: Excise duty | | 3,94,28,747 | 3,51,89,533 |
| Revenue from Operations (Net) | | 107,67,36,178 | 95,80,60,852 |
| II Other Income | | 16,71,14,564 | 38,77,23,980 |
| III. Total Revenue (I + II) | | 124,38,50,743 | 134,57,84,832 |
| IV. Expenses: | | | |
| Cost of materials consumed | 18 | 49,23,57,646 | 34,79,80,078 |
| Purchase of Stock-in-Trade | 19 | 45,36,58,607 | 34,11,86,530 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | (11,39,09,156) | 39,81,342 |
| Employee benefit expense | 20 | 21,84,95,637 | 14,45,31,044 |
| Financial costs | 21 | 8,49,94,295 | 11,38,43,596 |
| Depreciation and amortization expense | 5 | 3,56,41,816 | 1,71,00,177 |
| Other expenses | 22 | 24,70,69,412 | 17,29,32,824 |
| Total Expenses | | 141,82,88,257 | 114,15,55,591 |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | (17,44,37,515) | 20,42,29,241 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | (17,44,37,515) | 20,42,29,241 |
| VIII. Extraordinary Items | | - | 38,18,643 |
| IX. Profit before tax (VII - VIII) | | (17,44,37,515) | 20,80,47,884 |
| X. Tax expense: | | | |
| (1) Current tax | | | |
| (2) Deferred tax | | (131,61,30,288) | (39,92,08,501) |
| XI. Profit (Loss) from the period from continuing operations | | (149,05,67,803) | (19,11,60,617) |
| XII. Profit / (Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discounting operations | | - | - |
| Share of Minority Interest | | (7,24,10,584) | (13,41,11,929) |
| XIV. Profit / (Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV. Profit / (Loss) for the period (XI + XIV) | | (141,81,57,219) | (5,70,48,688) |
| XVI. Earning per equity share: | | | |
| (1) Basic | | (29.01) | (1.17) |
| (2) Diluted | | (29.01) | (1.17) |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30th May, 2014

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

D Krishnan

Company Secretary

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|---|------------------------------|------------------------------|
| 3. SHAREHOLDERS' FUNDS | | |
| Share Capital | | |
| 3.1 Equity Share Capital | | |
| 3.1.1 Authorised Equity Share Capital 5,50,00,000 Shares (5,50,00,000 Shares) of ₹ 10/- each | 55,00,00,000 | 55,00,00,000 |
| 3.1.2 Issued, Subscribed and fully Paid-Up 4,88,84,818 Shares (4,88,84,818 Shares) of ₹10/- each | 48,88,48,180 | 48,88,48,180 |
| 3.1.3 There are no shares that have been issued, subscribed and not fully paid up. | | |
| 3.1.4 Forfeited Shares | 9,750 | 9,750 |
| 3.1.5 Number of Equity Shares outstanding as at the beginning of the period | 4,88,84,818 | 4,86,70,181 |
| Number of Equity Shares outstanding as at the end of the period | 4,88,84,818 | 4,88,84,818 |
| Shares issued on exercise of Employees Stock Options | - | 2,14,637 |
| 3.1.6 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 1.5 | | |
| Total - Equity Share Capital | 48,88,57,930 | 48,88,57,930 |
| 3.2 Preference Share Capital | | |
| 3.2.1 Authorised Preference Share Capital 1,70,00,000 Shares (1,70,00,000 Shares) of ₹100/- each | 170,00,00,000 | 170,00,00,000 |
| 3.2.2 Issued, Subscribed and fully Paid-Up 1,69,58,682 Shares (1,69,58,682 Shares) of ₹100/- each | 169,58,68,200 | 169,58,68,200 |
| Total - Preference Share Capital | 169,58,68,200 | 169,58,68,200 |
| 3.3 Share of Minority interest | 177,49,35,033 | 142,35,49,127 |
| 3.4 Cross References to Notes under other heads - Nil | | |

Consolidated Notes forming part of Balance Sheet

(₹)

3.5 Shareholders holding 5% and above stake in the company as on 31st March, 2014

a) Equity Shares

| Sl. No. | Name | 31st March, 2014 | | 31st March, 2013 | |
|---------|------------------------------------|------------------|-------------------------------|------------------|-------------------------------|
| | | No. of Shares | % to the total Equity Capital | No. of Shares | % to the total Equity Capital |
| 1. | Electro Investment Private Limited | 2,31,02,544 | 47.26 | 2,31,02,544 | 47.26 |
| 2. | Merino Finance Private Limited | 30,77,500 | 6.30 | 30,77,500 | 6.30 |

b) Preference Shares

| Sl. No. | Name | No. of Shares | % to the total Preference Capital | No. of Shares | % to the total Preference Capital |
|---------|----------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| 1. | ER Computers Pvt Ltd | 73,71,837 | 43.47 | 73,71,837 | 43.47 |
| 2. | Electro Investment Pvt Ltd | 15,76,222 | 9.29 | 15,76,222 | 9.29 |
| 3. | Namfil Finance Co Pvt Ltd | 13,23,728 | 7.81 | 13,23,728 | 7.81 |
| 4. | Merino Finance Pvt Ltd | 9,80,429 | 5.78 | 9,80,429 | 5.78 |
| 5. | Oriental Bank of Commerce | 20,00,000 | 11.79 | 20,00,000 | 11.79 |
| 6. | Canara Bank | 18,07,033 | 10.66 | 18,07,033 | 10.66 |

4. Reserves and Surplus

4.1 Reserves

(₹)

| Description | Balance as at 31 st March, 2013 | Additions | Deductions | Balance as at 31 st March, 2014 |
|---|--|---------------------|------------|--|
| Capital Redemption Reserve | 53,33,00,000 | - | - | 53,33,00,000 |
| Capital Reserve | 49,800 | - | - | 49,800 |
| Special Reserve | 55,87,430 | - | - | 55,87,430 |
| Export Incentive Reserve | - | - | - | - |
| Share Premium Account | 184,09,28,868 | 39,47,07,172 | - | 223,56,36,040 |
| Employees Stock Options-Outstanding Account | - | - | - | - |
| General Reserve | - | - | - | - |
| Total | 237,98,66,098 | 39,47,07,172 | - | 277,45,73,270 |

4.2 Surplus

| | | | | |
|---|----------------------|---------------------|----------|---------------------|
| Opening Surplus i.e., Balance in Statement of Profit and Loss | (97,47,00,779) | | | (103,17,69,242) |
| Add : Profit for the period as per XV of Statement of Profit and Loss | (5,70,48,688) | | | (141,81,57,219) |
| Less : Dividend on Preference Shares | 16,959 | | | 16,959 |
| Final Dividend @ 0.001% | | | | |
| Tax on Preference Dividend | 2,817 | | | 2,817 |
| Transfer to general Reserve | | | | |
| Closing Surplus i.e., Balance in Statement of Profit and Loss | (103,17,69,242) | - | - | (244,99,46,237) |
| 4.3 Total - Reserves and Surplus | 134,80,96,855 | 39,47,07,172 | - | 32,46,27,033 |

4.4 Cross References to Notes under other heads : Nil

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|--|------------------------------|------------------------------|
| 5. Non-Current Liabilities | | |
| 5.1 Long Term Borrowing | | |
| 5.1.1 Secured | | |
| Non Convertible Debentures | | 23,00,00,000 |
| 5.1.2 Unsecured | | |
| Loans and Advances from Related Parties | 10,00,000 | 10,00,000 |
| Total - Unsecured Long Term Borrowings | 10,00,000 | 10,00,000 |
| 5.1.3 Total - Long Term Borrowings | 10,00,000 | 23,10,00,000 |
| 5.2 Other Long Term Liabilities | | |
| Trade Payables | 20,19,11,367 | 14,49,01,286 |
| Due to Related Parties | 20,36,93,250 | 20,81,93,250 |
| Other Long Term Liabilities | - | - |
| Total - Other Long Term Liabilities | 40,56,04,617 | 35,30,94,536 |
| 5.3 Long Term Provisions | | |
| Provisions for employees - Gratuity/Superannuation | 1,71,28,071 | 4,96,12,511 |
| Other provisions | 8,24,09,498 | 99,03,480 |
| Total Long Term Provisions | 9,95,37,569 | 5,95,15,991 |
| Total Non Current Liabilities | 50,61,42,186 | 64,36,10,527 |
| 6. Current Liabilities | | |
| 6.1 Short Term Borrowings | | |
| 6.1.2 Unsecured | | |
| Other loans and advances | 23,49,56,617 | |
| Total unsecured short term Borrowings | 23,49,56,617 | - |
| Total Short term borrowings | 23,49,56,617 | - |
| 6.2 Trade Payables | | |
| Trade Payables | 20,06,62,208 | 9,32,77,932 |
| Due to related parties | 6,27,08,902 | 1,55,82,324 |
| Others | 5,38,11,214 | 4,75,60,474 |
| Total - Trade Payables | 31,71,82,324 | 15,64,20,730 |
| 6.3 Other Current Liabilities | | |
| Trade Deposit & Advances | 2,98,17,746 | 3,37,18,591 |
| Income received in advance | 1,30,63,157 | 1,15,61,053 |
| Sales Tax & Withholding taxes payable | 8,88,27,928 | 15,05,34,439 |
| Employees- Salaries & Benefits | 42,95,377 | 1,65,84,561 |
| Total Other Current Liabilities | 13,60,04,209 | 21,23,98,643 |
| 6.4 Short Term Provisions | | |
| Provision for employee benefits | 31,30,038 | |
| Provision for Preference Dividends | 19,776 | 19,776 |
| Debenture Interest Provisions | 7,24,50,000 | |
| provision for warranty | 86,17,743 | 2,12,800 |
| Total Short Term Provisions | 8,42,17,557 | 2,32,576 |
| Total Current Liabilities | 77,23,60,707 | 36,90,51,950 |

Consolidated Notes forming part of Balance Sheet

(₹)

7. Non - Current Assets

| Description | Gross Block | | | | Depreciation | | | | Net Block | |
|---|------------------------------------|---------------------|--------------------|------------------------------------|------------------------------------|--------------------|--------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2013 | Additions | Deletions | As at 31 st March, 2014 | As at 31 st March, 2013 | For the year | Deletions | As at 31 st March, 2014 | As at 31 st March, 2014 | As at 31 st March, 2013 |
| 7.1 Tangible Assets | | | | | | | | | | |
| Land | 16,90,09,118 | 1,56,67,391 | 1,47,33,968 | 16,99,42,541 | - | - | - | - | 16,99,42,541 | 16,90,09,118 |
| Buildings | 20,21,23,565 | 82,24,844 | 1,00,52,106 | 20,02,96,303 | 10,96,28,342 | 73,48,568 | 48,08,962 | 11,21,67,948 | 8,81,28,355 | 9,24,95,223 |
| Plant & Machinery | 10,10,89,185 | 2,88,15,318 | 2,82,47,837 | 10,16,56,666 | 6,25,07,841 | 96,36,956 | 68,63,881 | 6,52,80,916 | 3,63,75,750 | 3,85,81,344 |
| Computer, Equipments and Net working | 9,86,64,899 | 67,28,043 | 55,87,340 | 9,98,05,602 | 9,08,96,313 | 43,96,572 | 22,34,803 | 9,30,58,08 | 67,47,520 | 75,84,276 |
| Furniture & Fixtures | 16,82,76,234 | 11,28,963 | 50,84,077 | 16,43,21,120 | 15,95,68,158 | 2,0,13,000 | 16,15,790 | 15,99,65,368 | 43,55,752 | 87,08,076 |
| Vehicles | 3,48,96,199 | 2,19,889 | 6,92,306 | 3,44,23,782 | 3,32,77,719 | 4,44,411 | 4,70,436 | 3,32,51,694 | 11,72,088 | 16,18,480 |
| Research and Developmental Expenditure | 13,43,98,241 | 21,06,466 | 20,54,447 | 13,44,50,260 | 13,27,58,390 | 11,36,086 | 5,67,435 | 13,33,27,041 | 11,23,219 | 16,39,851 |
| Goodwill | | 8,26,57,564 | | 8,26,57,564 | | 1,06,66,223 | | 1,06,66,223 | 7,19,91,341 | |
| Total Tangible & Intangible Assets | 90,84,57,441 | 14,55,48,478 | 6,64,52,081 | 98,75,53,838 | 58,86,36,763 | 3,56,41,816 | 1,65,61,307 | 60,77,17,272 | 37,98,36,566 | 31,96,36,368 |
| Previous year | 87,13,97,015 | 79,78,168 | 8,57,10,924 | 79,36,64,259 | 60,44,97,191 | 1,71,00,177 | 3,43,11,723 | 58,72,85,645 | 20,63,78,614 | 26,68,99,823 |
| Capital Work-in-Progress | | | | | | | | | | 305,74,57,963 |
| Intangible Assets under development | | | | | | | | | | 21,85,050 |
| Total Non-current Assets | | | | 98,75,53,838 | | | | | | 337,92,79,381 |

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

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

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

| Particulars | No. of Shares | 31 st March, 2014 | No. of Shares | 31 st March, 2013 |
|---|---------------|------------------------------|---------------|------------------------------|
| 8. Non-Current Investments | | | | |
| 8.1 Trade Investments (Refer 8.4) (At Cost) | | | | |
| Other non-current investments | | 19,00,000 | | |
| Total Trade Investments | | 19,00,000 | | |
| 8.2 Other Investments (Refer 8.5) (At Cost) | | | | |
| Investment in Equity instruments | | | | |
| Investment in Partner ship Firm | | 3,88,04,549 | | 3,88,04,549 |
| Investment in Joint Ventures | 2,26,90,000 | 22,69,00,000 | 2,26,90,000 | 22,69,00,000 |
| Investments Traded Companies - Quoted | 4,15,000 | 1,14,93,325 | 4,15,000 | 1,14,93,325 |
| Investments Traded Companies - Unquoted | 1,58,00,980 | 60,78,43,408 | 1,58,00,980 | 60,78,43,408 |
| Total Other Investments | | 88,50,41,282 | | 88,50,41,282 |
| 8.3 Total of 8.1 and 8.2 | | | | |
| Less:- Provision for Dimunition in the value of investments | | 88,50,31,282 | | 88,50,31,282 |
| Total of Trade Investments & Other Investments | | 19,10,000 | | 10,000 |
| 8.4 Details of Trade Investments | | | | |
| 8.4.1 Others | | | | |
| Pegasus Group Seventeen Trust | | 10,00,000 | | |
| pegasus Group Twenty Two Trust | | 900,000 | | |

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | No. of Shares | 31 st March, 2014 | No. of Shares | 31 st March, 2013 |
|--|---------------|------------------------------|---------------|------------------------------|
| 8.4.2 General Information | | | | |
| Unquoted at Cost | | 19,10,000 | | 10,000 |
| 8.5 Details of Other Investments | | | | |
| 8.5.1 Investments Traded Companies - Quoted | | | | |
| Equity Investments - Fully Paid - Quoted | | | | |
| B S Appliances Limited : | | | | |
| 81,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil) | 81,000 | 33,50,375 | 81,000 | 33,50,375 |
| BPL Engineering Limited : | | | | |
| 3,34,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil) | 3,34,000 | 81,42,950 | 3,34,000 | 81,42,950 |
| 8.5.2 Investments Traded Companies - Un-quoted | | | | |
| Equity Instruments - Fully Paid - Un-quoted | | | | |
| BPL Telecom Private Limited : | | | | |
| 25,96,980 Equity Shares of ₹ 10/- each, fully paid-up | 25,96,980 | 21,59,58,986 | 25,96,980 | 21,59,58,986 |
| BPL Management Services Limited : | | | | |
| 89,91,000 Equity Shares of ₹ 10/- each, fully paid-up | 89,91,000 | 8,99,09,910 | 89,91,000 | 8,99,09,910 |
| BPL Techno Vision Private Limited | | | | |
| 1,000 Equity Shares of ₹ 10/- each, fully paid-up | 1,000 | 10,000 | 1,000 | 10,000 |
| Electronic Research Pvt Limited : | | | | |
| 35,75,000 Equity Shares of ₹ 10/- each fully paid-up | 35,75,000 | 3,57,50,000 | 35,75,000 | 3,57,50,000 |
| Kleer Industries Inc. (USA) : | | | | |
| 87,000 Shares of 7 USD each | 87,000 | 2,05,99,443 | 87,000 | 2,05,99,443 |
| 5,50,000 Shares of 10 USD each | 5,50,000 | 24,56,15,069 | 5,50,000 | 24,56,15,069 |
| 8.5.3 Joint Venture Companies | | | | |
| Equity Instruments - Fully Paid - Un-quoted | | | | |
| Sanyo BPL Private Limited : | | | | |
| 2,26,90,000 Equity Shares of ₹ 10/- each fully paid-up | 2,26,90,000 | 22,69,00,000 | 2,26,90,000 | 22,69,00,000 |
| 8.5.4 Investment in Partnership Firms | | | | |
| Kodi Properties and Finance | | 3,78,41,790 | | 3,78,41,790 |
| Wellworth Electronics | | 9,62,759 | | 9,62,759 |

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|---|------------------------------|------------------------------|
| 9. Deferred Tax Assets (Net) | | |
| 9.1 Assets | | |
| Others | 68,95,20,888 | 200,56,51,176 |
| 9.2 Net Deferred Tax Asset | 68,95,20,888 | 200,56,51,176 |
| 10. Long Term Loans and Advances | | |
| 10.1 Capital Advances | 16,33,565 | |
| 10.2 Security Deposits | 2,97,11,017 | 1,26,13,763 |
| Total Security Deposits | 3,13,44,582 | 1,26,13,763 |
| 10.3 Loans and advances to related parties | | |
| Unsecured, considered good | 25,30,30,710 | 22,94,62,209 |
| Total Loans and advances to related parties | 25,30,30,710 | 22,94,62,209 |
| 10.4 Other loans and advances (specify nature) | | |
| Unsecured, considered good | 1,77,62,709 | 9,48,93,335 |
| Total other Loans and advances | 1,77,62,709 | 9,48,93,335 |
| 10.5 Total of Long Term Loans and Advances | 30,21,28,001 | 33,69,69,307 |
| 11. Other Non-Current Assets | | |
| 11.1 Others (Security Deposit) | | |
| Secured, considered good | 4,93,59,827 | 6,03,03,501 |
| Total Security Deposits | 4,93,59,827 | 6,03,03,501 |
| 11.2 Total of Other non current assets | 4,93,59,827 | 6,03,03,501 |
| 12. Current Investment | - | - |
| 13. Inventories | | |
| 13.1 Valued at Lower of Cost or Realisable value | | |
| Raw Materials | 6,88,35,663 | 2,62,37,326 |
| Work in Progress | 2,68,38,630 | 88,48,066 |
| Finished Goods | 1,70,11,392 | 1,94,00,363 |
| Stock in Trade | 9,83,07,563 | - |
| Stores and Spares | 31,08,165 | 2,61,91,941 |
| Total Inventories | 21,41,01,413 | 8,06,77,696 |
| 14. Trade Receivables | | |
| 14.1 Outstanding for a period more than six months from the due date of payment | | |
| Unsecured considered good | 81,26,109 | 14,94,312 |
| Unsecured considered doubtful | 11,59,462 | 17,28,000 |
| Less:- Provision for Doubtful receivables | 11,59,462 | 17,28,000 |
| | 81,26,109 | 14,94,312 |
| 14.2 Other Trade Receivables | | |
| Unsecured considered good | 25,94,65,695 | 18,24,14,552 |
| Total Trade Receivables | 26,75,91,804 | 18,39,08,864 |
| 15 Cash and bank balances | | |
| 15.1 Cash and Cash equivalents* | | |
| Cheques, drafts on hand | 44,88,285 | - |
| Cash on hand* | 65,341 | 1,94,268 |
| Total Cash and Cash equivalents | 45,53,626 | 1,94,268 |

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|--|------------------------------|------------------------------|
| 15.2 Other Bank balances * | | |
| Includes Earmarked balances: | | |
| Bank Balances: | | |
| (i) Current Account | 2,80,00,443 | 3,82,88,920 |
| (ii) Deposit Account | 31,22,26,024 | 3,27,98,044 |
| Bank deposits with more than 12 months maturity | | |
| Total Bank balances | <u>34,02,26,467</u> | <u>7,10,86,964</u> |
| Total of Cash and bank balances | <u>34,47,80,093</u> | <u>7,12,81,232</u> |
| 16. Short Term Loans and Advances | | |
| 16.1 Loans and Advances to Related Parties (Refer Note 16.4 below) | | |
| Secured, considered good | | |
| Unsecured, considered good | 1,88,76,445 | |
| Considered Doubtful | | |
| Less: Provision for doubtful deposits | | |
| Total of Loans and Advances to Related Parties | <u>1,88,76,445</u> | - |
| 16.2 Advance payment of income tax & wealth tax (Including TDS) | 5,18,04,394 | 5,15,57,577 |
| 16.3 Deposits/Balances with Excise /Sales Tax Authorities | 1,93,03,315 | 40,01,610 |
| 16.4 Loans & Advances to Employees | 8,23,681 | 18,25,876 |
| 16.5 Others | | |
| Secured, considered good | | |
| Unsecured, considered good | 6,79,17,021 | 5,48,965 |
| Considered Doubtful | | |
| Less: Provision for doubtful deposits | | |
| Total of Loans and Advances to Others | <u>6,79,17,021</u> | <u>5,48,965</u> |
| 14.6 Total of Short Term Loans and Advances | <u>15,87,24,856</u> | <u>5,79,34,028</u> |
| 17. Other Current Assets | | |
| Interest Accrued | 42,48,786 | 7,84,969 |
| Deferred Cost | 78,65,169 | - |
| | <u>1,21,13,955</u> | <u>7,84,969</u> |
| 18. Contingent Liabilities and Commitments | | |
| 18.1 Contingent Liabilities | | |
| Claims against the company not acknowledged as debt | | |
| Cental Excise | 5,15,55,820 | 4,90,23,392 |
| Customs | 6,65,66,447 | 6,65,66,447 |
| Service Tax | 10,15,211 | 98,48,238 |
| Sales Tax | 30,24,99,659 | 30,17,22,999 |
| Guarantees | 20,00,00,000 | 20,00,00,000 |
| Other money for which the company is contingently liable | | |
| 18.2 Total Contingent Liabilities and Commitments | <u>62,16,37,137</u> | <u>62,71,61,076</u> |
| Other Notes to balance Sheet | | |
| In the opinion of the Board, none of the assets has a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet. | | |

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | | 31 st March, 2013 | |
|---|------------------------------|-----------------------|------------------------------|---------------------|
| 19. Revenue | | | | |
| 19.1 Revenue from Operations | | | | |
| Sale of Products | 108,36,43,997 | | 96,43,50,405 | |
| Sale of Services | 3,25,20,928 | | 2,88,99,980 | |
| Other Operating Revenue | | | - | |
| Less: Excise Duty | 3,94,28,747 | | 3,51,89,533 | |
| Net Sales | | 107,67,36,178 | - | 95,80,60,852 |
| 19.2 Other Income | | | | |
| Interest Income | 2,78,88,633 | 2,78,88,633 | 24,47,263 | 24,47,263 |
| Dividend Income | | | | |
| Net gain / loss on sale of Fixed Assets | 5,24,74,981 | 5,24,74,981 | 37,34,83,513 | 37,34,83,513 |
| Other non-operating income - Net | 8,67,50,950 | 8,67,50,950 | 1,10,69,153 | 1,10,69,153 |
| Other than non-operating income - aNet | - | - | 7,24,051 | 7,24,051 |
| Total Other Income | | 16,71,14,564 | | 38,77,23,980 |
| 20. Raw Materials Consumed | | | | |
| Opening Stock | 2,62,37,326 | | 3,25,58,459 | |
| Raw & Process Material Purchased | 51,60,89,981 | | 26,94,12,447 | |
| Power & Fuel | 1,24,95,369 | | 97,32,070 | |
| Stores, Spares & Packing Materials Consumed | 63,50,632 | | 6,25,14,428 | |
| Closing Stock | (6,88,35,663) | | (2,62,37,326) | |
| Total Raw materials consumed | | 49,23,37,646 | | 34,79,80,078 |
| 21. Purchase of Stock-in-Trade | 45,36,58,607 | 45,36,58,607 | 34,11,86,530 | 34,11,86,530 |
| Changes in Inventories | | | | |
| Stock at Opening - Finished Goods | 1,94,00,363 | | 2,44,98,315 | |
| Stock at Opening - Work in Process | 88,48,066 | | 77,31,456 | |
| Total Opening Stock | | 2,82,48,429 | | 3,22,29,771 |
| Stock at Closing - Finished Goods | 11,53,18,955 | | 1,94,00,363 | |
| Stock at Closing - Work in Process | 2,68,38,630 | | 88,48,066 | |
| Total Closing Stock | | 14,21,57,585 | | 2,82,48,429 |
| (Increase)/Decrease in Stocks | | (11,39,09,156) | | 39,81,342 |
| 22. Employee Benefits | | | | |
| Salaries and Wages, | 17,54,41,804 | | 12,37,48,119 | |
| Contribution to Provident and other funds, | 2,99,86,738 | | 87,37,170 | |
| Directors' Remuneration (Ref. Note no. 2.9) | 82,56,000 | | 82,56,000 | |
| Staff welfare expenses | 48,11,095 | | 37,89,755 | |
| Total Employee Benefits | | 21,84,95,637 | | 14,45,31,044 |
| 23. Finance Costs | | | | |
| Interest Expenses on Term Loans | 8,05,00,000 | | 8,09,41,096 | |
| Interest Overdraft/Other | 15,31,634 | | 3,00,57,307 | |
| Other Borrowing Cost | 29,62,661 | | 28,45,193 | |
| Total Finance Costs | | 8,49,94,295 | | 11,38,43,596 |

Consolidated Notes forming part of Balance Sheet

(₹)

| Particulars | 31 st March, 2014 | 31 st March, 2013 |
|-------------------------------|------------------------------|------------------------------|
| 24. Other Expenses | | |
| Advertisemet & Publicity | 1,22,96,738 | 57,99,451 |
| Auditors Remuneration | 23,68,413 | 12,76,335 |
| Bad Debts Written Off | 5,13,40,570 | 17,21,746 |
| Selling Expenses | 29,82,351 | 36,23,839 |
| Commission on Sales | 1,13,11,846 | 45,83,752 |
| Communication Expenses | 1,01,36,281 | 96,28,520 |
| Conveyance & Travelling | 3,12,01,408 | 2,76,83,733 |
| Directors Sitting Fees | 3,70,000 | 2,70,000 |
| Discounts & AMC Reimbursement | 2,34,76,723 | 1,83,92,246 |
| Donations - | | 50,000 |
| Foreign Exchange Fluctuation | 6,06,858 | 12,88,255 |
| Freight Charges | 2,00,28,290 | 1,58,98,992 |
| Insurance Expenses | 55,55,906 | 42,41,969 |
| Legal & Professional | 3,53,50,088 | 2,30,26,202 |
| Miscellaneous Expenses | 5,08,901 | 4,71,754 |
| Office Maintenance | 98,20,312 | 1,87,61,655 |
| Printing & Stationary | 22,14,123 | 16,64,293 |
| Rates & Taxes | 89,41,235 | 68,41,707 |
| Rent | 1,14,59,714 | 1,64,32,546 |
| Repair & Maintenance P&M | 64,83,915 | 27,47,614 |
| Staff Recruitment & Training | 65,259 | 1,64,012 |
| Vehicle Operating Expense | 5,50,481 | 10,96,825 |
| Assets Written off | - | 72,67,379 |
| Total Other Expenses | 24,70,69,412 | 17,29,32,824 |
| 24.1 Auditors' Remuneration | | |
| Audit Fees | 18,78,524 | 6,70,122 |
| Tax Audit Fees | 1,75,000 | 75,000 |
| Reimbursement of Expenses | 82,695 | 40,000 |
| Taxation matters | 80,000 | 3,00,000 |
| Certification Charges | 28,090 | 50,000 |
| Service Tax | 1,24,104 | 1,41,213 |
| Total | 23,68,413 | 12,76,335 |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

Bangalore

30th May, 2014

D Krishnan

Company Secretary

Consolidated Cash Flow Statement

(₹)

| Particulars | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2014 | 31 st March, 2013 |
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before exceptional, extra-ordinary items and tax | (17,44,37,515) | 20,42,29,241 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 3,56,41,816 | 1,71,00,177 |
| Provision for impairment of fixed assets and intangibles | | |
| Amortisation of share issue expenses and discount of shares | | |
| (Profit) / loss on sale / write off of assets | (5,24,74,981) | (37,34,83,513) |
| Expense on Employees Stock Option Scheme | - | (40,87,361) |
| Finance costs | 8,49,94,295 | 11,38,43,596 |
| Interest income | (2,78,88,633) | (24,46,543) |
| Share of profit from partnership firms | | |
| Liabilities / provisions no longer required written back | | |
| Adjustment to the carrying amount of investment | | |
| | (4,02,72,497) | (24,90,74,365) |
| Operating profit / (loss) before working capital changes | (13,41,65,017) | (4,48,45,124) |
| <i>Changes in working capital:</i> | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| Inventories | (13,34,23,717) | 1,36,21,203 |
| Trade receivables | (8,36,82,940) | (5,44,14,959) |
| Short-term loans and advances | (10,07,90,828) | (29,36,324) |
| Long-term loans and advances | (3,48,31,305) | 11,99,43,633 |
| Other current assets | (1,13,28,986) | (6,73,430) |
| Other non-current assets | 1,09,43,674 | 87,15,995 |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| Trade payables | 16,07,61,594 | (3,75,81,354) |
| Other current liabilities | (7,63,94,435) | 11,63,27,230 |
| Other long-term liabilities | 5,25,10,081 | 18,66,75,854 |
| Short-term provisions | 8,39,84,981 | 2,30,303 |
| Long-term provisions | 4,00,21,578 | 1,25,92,187 |
| | (2,25,67,693) | 36,25,00,338 |
| | (15,67,32,710) | 31,76,55,214 |

Consolidated Cash Flow Statement

(₹)

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2014 | 31 st March, 2013 |
| Cash flow from extra-ordinary items | | |
| Cash generated from operations | (15,67,32,710) | 31,76,55,214 |
| Net cash flow from / (used in) operating activities (A) | <u>(15,67,32,710)</u> | <u>31,76,55,214</u> |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (16,05,21,633) | (2,32,56,45,166) |
| Proceeds from sale of fixed assets | 5,24,74,981 | 98,73,17,593 |
| Others | 2,78,88,633 | 24,47,263 |
| Net cash flow from / (used in) investing activities (B) | <u>(8,01,58,019)</u> | <u>(1,33,58,80,310)</u> |
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares | 75,48,93,078 | 1,26,23,69,754 |
| Purchase of Equity shares | (19,00,000) | - |
| Repayment of long-term borrowings | (23,00,00,000) | (25,00,00,000) |
| Finance cost | (8,49,94,295) | (11,38,43,596) |
| Minority Interest | (7,24,10,584) | 13,41,11,929 |
| Dividends paid | (16,959) | (16,959) |
| Tax on dividend | (2,817) | (2,817) |
| Net cash flow from / (used in) financing activities (C) | <u>51,03,89,591</u> | <u>1,03,26,18,312</u> |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | 27,34,98,861 | 1,43,93,216 |
| Cash and cash equivalents at the beginning of the year | 7,12,81,232 | 5,68,88,016 |
| Cash and cash equivalents at the end of the year | <u>34,47,80,093</u> | <u>7,12,81,232</u> |

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co.,

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30th May, 2014

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

D. Krishnan

Company Secretary

Consolidated Notes to Accounts

Notes attached to and forming part of the Consolidated Accounts for the period ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General

The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 / 2013 as adopted consistently by the company.

1.2 Fixed Assets

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

1.3 Depreciation

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

1.4 Investments

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

1.5 Inventories

Inventories are valued as under:

Finished Good : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

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

Goods in transit : At cost

1.6 Foreign Currency Transaction

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

1.7 Research and Development

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

1.8 Retirement Benefit

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

1.9 Borrowing Cost

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

1.10 Revenue Recognition

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

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

1.11 Contingent Liability

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

1.12 Basis of Consolidation

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

The accounts of BPL Display Devices Limited, a Subsidiary Company, was not consolidated since the company is under liquidation.

Sanyo BPL Private Limited (Joint Venture) is under voluntary winding up, hence, the accounts were not taken for the purpose of consolidation.

Consolidated Notes to Accounts

2. NOTES ON ACCOUNTS

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

2.2 Share Capital

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

2.2.2 1,69,58,682 Non-Convertible, Non-Cumulative 0.001% Preference Shares of Rs. 100/- each, were allotted on 23rd September, 2005, pursuant to the Scheme of Arrangement approved by the Hon. High Court of Kerala, Ernakulam. Out of which, 1,41,24,682 shares are redeemable in four equal installments at the end of the 11th, 12th, 13th and 14th year and the balance of 28,34,000 shares are redeemable in ten equal installments commencing from 31st March, 2008. The Company is yet to redeem these preference shares and the amount outstanding as on 31st March, 2014 was Rs.17.00 crores.

2.3 Employees Stock Option Scheme (ESOP) : The last date for exercising the stock options granted to the eligible employees and directors of the company was 8th November, 2012 and the details of options exercised, lapsed and other relevant particulars were covered in the previous financial year. Since, the company has not granted any further options later and accordingly, the details as required to be furnished under ESOP scheme is not applicable to the current financial year.

2.4 As the company has no qualifying assets as defined in Accounting Standard 16, amount of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset have not been capitalised.

2.5 In accordance with the provisions of Accounting Standard 17, the Company has only one reporting segment viz, Electronic Industry. Segmental reporting as defined is therefore not applicable.

2.6 Related Party disclosure in accordance with Accounting Standard 18:

(Amt. in ₹)

| Related Parties : Apr 13 to March 14 | Party Name | Transaction during the year | | Closing Balance | Nature of Relation | Nature of Transaction |
|--------------------------------------|--|-----------------------------|-------------|-----------------|--------------------|-------------------------------------|
| | | Opening Balance | Dr | | | |
| | Bharat Energy Ventures Limited | 19,35,49,279 | - | - | 20,91,78,635 | Subsidiary |
| | | | 1,56,29,356 | | | |
| | BPL Telecom Private Limited | | | | | |
| | 1) | (4,08,398) | | | 1,139 | Co. in which Directors have control |
| | 2) | | 2,71,157 | | | Payments made |
| | 3) | | 17,02,572 | | | Revenue billed |
| | 4) | | | 17,05,712 | | Payment received |
| | 5) | | | 2,28,419 | | Purchase Accounted |
| | | | | 4,49,135 | | Written off |
| | BPL Technovision Private Limited | (9,41,134) | | | (76,55,922) | Co. in which Directors have control |
| | 1) | | 4,496 | | | Rent |
| | 2) | | 23,41,088 | | | Revenue billed |
| | 3) | | 5,26,119 | | | Payment made |
| | 4) | | | 85,00,000 | | Payment made |
| | 5) | | | 1,10,64,148 | | Payment received |
| | 6) | | | 4,04,611 | | Transfer to BPL Medical |
| | | | | 25,64,148 | | Payment received |
| | NI Micro Technologies Private Limited | 8,37,732 | | | | Co. in which Directors have control |
| | 1) | | | 14,68,849 | | Purchase accounted |
| | 2) | | 16,03,561 | | | Payment made |
| | 3) | | | 9,72,444 | | Written off |
| | Dynamics Electronics Private Limited | (25,00,000) | | | (25,00,000) | Co. in which Directors have control |
| | Phoenix Holdings Private Limited | 20,41,835 | | | (20,41,835) | Co. in which Directors have control |
| | 1) | | | | | |
| | Electro Investment Private Limited | (82,00,000) | | | (82,00,000) | Co. in which Directors have control |
| | ER Computers Private Limited | 58,05,662 | | | 74,03,546 | Co. in which Directors have control |
| | 1) | | | 31,74,204 | | Rent payable accounted |
| | 2) | | 15,76,320 | | | Payment made |
| | Orion Constructions Company Private Ltd. | (16,30,903) | | | (16,30,903) | Co. in which Directors have control |
| | Electronic Research Private Limited | (4,20,72,259) | | | (6,76,49,759) | Co. in which Directors have control |
| | 1) | | | 2,55,77,500 | | Payment received |
| | Mr. Ajit G Nambiar | (401044.00) | 48,79,941 | 49,35,219 | (4,56,322) | Chairman & Managing Director |
| | | | | | | Remuneration |

Consolidated Notes to Accounts

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

As Lessor: (₹ in lakhs)

| | Year ended | |
|--|--------------------|--------------------|
| | 31st March 2014 | 31st March 2013 |
| Lease rentals recognized during the period | 82.06 | 34.18 |
| As Lessee: | | |
| Lease rentals paid during the period | 42.67 | 163.82 |
| Lease obligations payable within one year | 164.33 | 163.82 |

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

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

| | |
|--|---------------|
| Unabsorbed depreciation | 30,59,85,551 |
| Long term Capital Loss | 7,50,53,226 |
| Unabsorbed carry forward business loss | 30,84,82,111 |
| Total | 68,95,20,888 |
| Deferred Tax Asset | 68,95,20,888 |
| Less: Opening Deferred Tax Asset | 200,56,51,176 |
| Deffered Tax Asset for the year | 131,61,30,288 |

- 2.8 No Provision for tax has been made for current period in view of uncertainty of profit in the future years.
- 2.9 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter B70022835/2013-CL-VII dated 17th October 2013.

- 2.10 The Company's subsidiary i.e, Bharat Energy Ventures Limited, is the principal investor and chief sponsor of the Ramagundam Project being set up by BPL Power Projects (AP) Private Limited (BPL Power). The Government of Andhra Pradesh, Energy Department has vide G.O. Ms. No. 51 dated 09.10.2009 agreed for reinstatement of the BPL Ramagundam Project's Power Purchase Agreement (PPA) while affording increase in project capacity to 600 MW and capping the cost of project. Pursuant to directions issued under the said GO, the project received energy regulators consent for amendments to the PPA in May, 2010. As directed by the AP Energy Regulatory Commission's consent letter, BPL Power and AP DIS Coms finalized the Amendment Agreement to the PPA and are ready to execute the same. The shareholders and the directors of BPL Power are committed to recommencing the project construction activity at the earliest possible opportunity. In view of the development as stated above, the financial statements of the subsidiary company for the year ended 31st March, 2014 have been prepared on a going concern basis. The Auditors of BPL Power in their report on accounts of that company for the financial year ended 31st March, 2014 have qualified the assumption of going concern as being contingent upon favourable outcome of efforts of that company in executing an amended PPA to carry on its business.

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

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

As per our report attached

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

M S Ram
Partner
M. No. 026687

Bangalore
30th May, 2014

For and on behalf of the Board of Directors

Ajit G Nambiar
Chairman & Managing Director

Capt. S Prabhala
Director

D Krishnan
Company Secretary

Book-post

If undelivered, please return to :

Investors' Service Cell

BPL Limited

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

Visit : www.bpl.in

**BPL Limited**

11th KM, Bannerghatta Road,
Arakere, Bangalore - 560 076
Phone : +91-80-2648 4388, 2648 4350

CIN - L28997KL1963PLC002015

FORM A**Format of covering letter of the annual audit report to be filed with the stock exchanges**

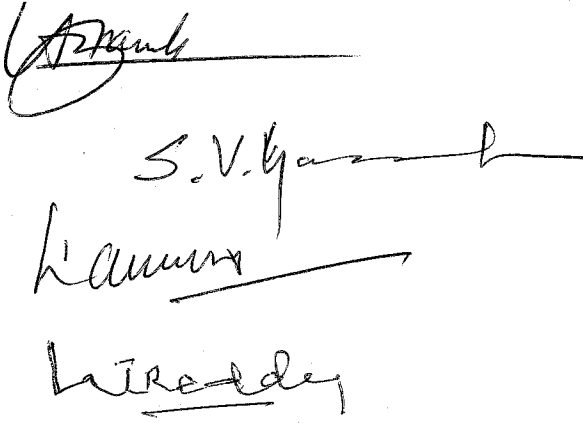
| | | |
|----|--|---|
| 1. | Name of the Company: | BPL Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014 |
| 3. | Type of Audit observation | Matter of Emphasis |
| 4. | Frequency of observation | a) The audit observations on Stand alone Accounts of the company in respect of certain delay in payment of statutory dues and dues disputed with regulatory bodies are repetitive for the last 4-5 years. |
| 5. | To be signed by- <ul style="list-style-type: none">• CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman  | |

**BPL Limited**

11th KM, Bannerghatta Road,
Arakere, Bangalore - 560 076
Phone : +91-80-2648 4388, 2648 4350

CIN - L28997KL1963PLC002015

FORM B**Format of covering letter of the annual audit report to be filed with the stock exchanges**

| | | |
|----|--|---|
| 1. | Name of the Company: | BPL Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014 |
| 3. | Type of Audit qualification | Qualified |
| 4. | Frequency of qualification | a) The audit observations on Stand alone Accounts of the company in respect of certain delay in payment of statutory dues and dues disputed with regulatory bodies are repetitive for the last 4-5 years. |
| 5. | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: | Please refer page No. 5 of the enclosed Annual Report for the financial year 2013-14 under the heading " Management responses to the Auditors' Qualification" |
| 6. | Additional comments from the board/audit committee chair: | The Audit Committee and the Board of Directors have endorsed the replies stated by the management as appearing in the Directors Report. |
| 7. | To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman |  |