



*Believe in the Best*

***BPL Limited***  
ANNUAL REPORT 2005 - 2006

# Annual Report 2005 - 2006

## Corporate Information

### BOARD OF DIRECTORS

Ajit G Nambiar, *Chairman & Managing Director*

Anju Chandrasekhar

S Padmakumar

KS Prasad

Capt. S Prabhala

K Jayabharath Reddy

Suraj L Mehta

M Sudhendranath, *Nominee- ICICI*

K Muthukumaran, *Nominee - EXIM Bank*

Viswanath Nambiar, *(upto 27.01.06)*

PVK Sundaram, *(upto 31.01.06)*

### MANUFACTURING FACILITIES

BPL Works, Palakkad 678 007, Kerala

Pampamballam Post, Puduserry East,  
Palakkad - 678 625

Doddaballapur 561 203, Bangalore District

Dobaspet, Tumkur Road, Bangalore 562 111

238, III Phase, Bommasandra Industrial Area,  
Bangalore 562 158

### COMPANY SECRETARY & COMPLIANCE OFFICER

K Raghuveeran

### AUDITORS

M/s. T Velu Pillai & Co.,

Chartered Accountants, Bangalore

### BANKERS

Canara Bank

Bank of India

HDFC Bank Limited

Bank of Bahrain & Kuwait B.S.C

Central Bank of India

Centurion Bank of Punjab

Citibank NA

ABN AMRO Bank

Jammu & Kashmir Bank

Bank of Rajasthan

Indusind Bank Limited

UCO Bank Limited

### REGISTERED OFFICE

BPL Works, Palakkad 678007, Kerala

### CORPORATE OFFICE

Dynamic House, No. 64, Church Street,  
Bangalore 560 001

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# Notice of Annual General Meeting

NOTICE is hereby given that the 42nd Annual General Meeting of BPL Limited will be held on Thursday, the 28th day of September 2006 at 10.00 A.M. at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala, to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Report of Directors, the audited Profit and Loss Account for the year ended 31st March 2006 and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. S Padmakumar, who retires by rotation, and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. K S Prasad, who retires by rotation, and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By order of the Board

Bangalore

30th June, 2006

Registered Office

BPL Works, Palakkad-678 007, Kerala.

**K Raghuv eeran**

Company Secretary

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES, ONCE ISSUED WILL HOLD GOOD FOR ANY ADJOURNMENT OF THIS ANNUAL GENERAL MEETING.
2. Members / Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.

3. The Register of Members and Share Transfer Books of the Company will be closed from 16th September, 2006 to 28th September, 2006 (both days inclusive).
4. In terms of the provisions of Section 205A of the Companies Act, 1956, the unclaimed dividends are now required to be transferred to the Investors' Education and Protection Fund (IEPF) established by the Central Government, after a period of seven years from the date it is transferred to the Unpaid Dividend Account.

Shareholders who have not encashed dividends for the years mentioned below, are requested to claim it from the Company immediately.

Financial year	Date of declaration	Nature of dividend	Due date of transfer to IEPF
1998 - 1999	23/09/1999	Final	11/11/2006
1999 - 2000	30/05/2000	Interim	18/07/2007
1999 - 2000	20/09/2000	Final	08/11/2007
2000 - 2001	28/09/2001	Final	04/11/2008

5. Shareholders intending to require information about accounts, to be explained at the Meeting, are requested to inform the Company at least a week in advance of their intention, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
6. Pursuant to the recently amended clauses of the listing agreement, additional information on Directors seeking re-election at the Annual General Meeting is appended to this Notice.
7. Shareholders are requested to address all their correspondence including on matters related to Share Transfers, Non-receipt of Dividend / Annual Report etc., to the Investors' Service Cell, at BPL Limited, Dynamic House, No. 64, Church Street, Bangalore - 560 001.

By order of the Board

Bangalore

30th June, 2006

Registered Office

BPL Works, Palakkad-678 007, Kerala.

**K Raghuv eeran**

Company Secretary

# Notice

## INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

### Mr. S Padmakumar

Mr. S Padmakumar, 72, has been associated with the Company for nearly 2 decades. After a distinguished academic career, he entered the Indian Administrative Service, during which, he has held several key positions including those of Industries Secretary, Finance Secretary, Chairman and Managing Director of Kerala State Industrial Development Corporation (KSIDC), amongst others, before retiring as the Chief Secretary to the Government of Kerala. He has considerable experience in the management of industrial undertakings both as Chief Executive and at the Board level. He continues to serve on the Boards of several Companies other than BPL Limited.

Names of companies in which Mr. S Padmakumar is a Director :

English Indian Clays Limited, Binani Industries Limited, Binani Cement Limited, Binani Zinc Limited, Binani Lead Limited, Goa Fibre Glass Limited, Andhra Bank Limited, City Theatres Private Limited.

Names of the Committees of the Board in which Mr. S Padmakumar is a Chairman / Member :

Sl. No.	Name of the Company	Nature of position
<b>A</b>	<b>Audit Committee</b> Binani Industries Limited Binani Cement Limited Goa Fibre Glass Limited Binani Lead Limited	Chairman Chairman Member Member
<b>B</b>	<b>Investor Relations Committee</b> Binani Industries Limited Binani Cement Limited Goa Fibre Glass Limited	Member Chairman Member

Mr. S Padmakumar is a member of the Audit Committee, Investor Relations Committee and the Chairman of Remuneration Committee of BPL Limited.

### Mr. K S Prasad

Mr. K S Prasad, 72, has been associated with BPL for more than a decade. He is a graduate in science and holds a post-graduate diploma from Madras Institute of Technology. He brings with him extensive business experience and is a well-known coffee planter.

Mr. K S Prasad is the Chairman of Investor Relations Committee of BPL Limited.

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

Name of the Director	No. of Board Meetings held during 2005-2006	No. of Board Meetings attended	Last AGM Attendance (Yes/No)	No. of Shares held
Mr. S Padma Kumar	6	3	YES	-
Mr. K S Prasad	6	5	YES	3,29,400

By Order of the Board

**K Raghuvveeran**  
Company Secretary

Bangalore  
30th June, 2006

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

# The Way Forward

## The Road Ahead

2005-06 has been a landmark year for BPL Limited. It witnessed the carve-out of our Analog CTV business into an equal Joint Venture with SANYO Electric Co. Ltd. of Japan, Debt Re-structuring with our lenders and the divestment of our Dry-Cell Batteries business.

This sets the backdrop for cautious optimism and new beginnings.

## Strategic Imperatives & Initiatives

With the mainstay CTV business moving out of our Company, it has become essential to take a closer look at our remaining businesses and map out a new direction for the future. We have viewed them from both stand-alone and synergistic angles.

These consist of the businesses that reside within the legal entity of BPL Limited itself, as also those businesses that form the core of our major investments.

## **Broadly speaking, they fall under five major categories :**

- (A) Investments in White Goods & Home Appliances
- (B) Investments in backward integration including Colour Picture Tubes
- (C) Investments in Telecom & Communications Technology
- (D) Investments in Energy Generation
- (E) Investments in other areas – Healthcare and Alkaline Batteries

## **Within BPL Limited reside four main businesses :**

- (A) Mould Design & Manufacture and Plastic Injection Moulded Parts (Backward Integration)
- (B) Healthcare (Others)
- (C) Printed Circuit Boards (Backward Integration)
- (D) Alkaline Batteries (Others)

We believe that the former two businesses reside within attractive and vastly scalable industries, both from a

domestic as well as a global perspective. The latter two operate in highly competitive environments.

Accordingly, BPL Limited will focus its resources in scaling up the first two of its remaining four businesses exponentially and managing them for value. Management is also examining potential partnerships for delivering the desired levels of velocity and value creation that we seek.

The Printed Circuit Board (PCB) business will examine investments targeted at expanding offerings and moving into Prototyping Services play, currently a lucrative area in a highly competitive industry.

The Alkaline Batteries Division will be managed for quick, optimal capacity utilization and cash generation.

We do not foresee any immediate issues in the management of these two businesses. However, given the highly competitive nature of these Industries, we plan to monitor these businesses closely and take appropriate actions as may be required going ahead.

Additionally, the BPL brand resident within our company is being viewed as a key Asset and will be leveraged optimally. Execution will be in a phased manner, initially via vehicles of cautious scalability.

Opportunities also exist for the integration and consolidation of selected investments of the Company into mainstream operations.

These opportunities emanate from five key areas :

1. The convergence of Consumer Electronics and Telecom
2. The combination / consolidation of market side strengths
3. The consolidating of manufacturing strengths
4. Leveraging assets released via consolidation
5. Re-vitalizing specific key investments in emerging lucrative areas

# The Way Forward

These issues are currently under examination and consideration by Management.

## A Staggering Opportunity Space

### Plastic injection Moulding Business

Plastic injection mould tooling is a global industry estimated to be worth \$25-30 billion, plastic parts aside. A significant component of the cost within this industry emanates from skilled human content. We see a tangible shift of manufacturing & design services in this industry from High Cost towards Low Cost Countries.

Target Industry Verticals include Automotive, Consumer Electronics, White Goods, Consumer Telecom, Medical Devices, etc. Within these, the Automotive Industry in India is amongst the fastest growing in the world. Passenger and MUV segments are growing at 20% + PA. We currently produce close to 9 Million Vehicles annually. Additionally, our domestic market is the :

- Largest Three Wheeler Market in the World
- 2nd Largest Two Wheeler Market in the World
- 4th Largest Passenger Vehicle Market in Asia
- 4th Largest Tractor Market in the World
- 5th Largest Commercial Vehicle Market in the World

Our Business Division is currently small, but has discerning customers – Toyota, Honda, Hyundai, Ford Visteon, SANYO, etc. With the right infusion of capital and partnerships, we believe that this business can be managed effectively for value.

### Healthcare Business

The Medical Devices market World-wide is estimated to be around a \$200 Billion Industry. The Indian market is rather nascent and estimated to be sized at around \$1.85 Billion, a significant portion of which is being met by imports. The market is growing at around 15% annually and all these factors present significant opportunities for a serious player.

Our Healthcare Division has traditionally focused on Cardiology and is a reputed Device Manufacturer in

that area. It has been operating since the 1960's. Most doctors today in the country have trained on or used a BPL ECG Machine at some point of time and our brand is recognized by the medical fraternity.

These present opportunities for expanding our offerings in the Cardiology space and strengthening our position in the business. Additionally, we plan to expand product offerings to new Verticals of the medical devices market and also enter the services space. Particularly interesting to note is the convergence of Medical Devices, Communications Technology, IT and Computing, which opens out new growth opportunities in the areas of both products and services.

We see opportunities for managing this business for value.

### Consumer Electronics Businesses

According to estimates by Frost & Sullivan, the total electronics market domestically is currently sized at around \$28 Billion, growing at around 30% PA and projected to reach \$ 363 Billion by 2015.

Central to this growth is the convergence of Consumer Electronics, Telecom (Voice & Data) and Entertainment. This provides opportunities for growth in the Digital era for a company such as ours.

Our brand is still well known as a household name. It is also known as a Telecom brand by virtue of the association of our group companies with the Telecom Industry.

Your company intends to leverage strengths in all these areas and draw from synergies across its various businesses to effectively deliver products, services and solutions to our customers.

The carve-out of our CTV Business into an equal joint venture with SANYO has marked our exit from the Analog space. However, the joint venture company has use of the BPL brand for CTVs and is better placed to address this competitive space than we are today.

We expect our Joint Venture company to generate sizeable revenues going ahead, along with a healthy bottom-line.



# The Way Forward

## Thermal Power Generation Business

One of our key investments in the past has been in the area of Thermal Power Generation. We had an agreement to set up a 520 MW Coal Fired Thermal Power Plant and a Power Purchase Agreement in place with the Andhra Pradesh Government. It is our intention to push this initiative forward to fruition.

According to McKinsey & Co., at the current pace of economic growth, India must add around 90 Gigawatts of Power Generation by 2012, nearly doubling today's capacity of 115 – 120 Gigawatts. This equates to around \$170 Billion in investments.

India has the fourth largest reserves of Coal in the world and we feel that Thermal Power Generation could form a source of stable income streams / Value for your company going ahead, if implemented effectively.

## New beginnings

The move from the Analog world to the Digital one comes with significant issues. The underlying themes being change, culture, organizational transformation

and renewal. There are challenges ahead and work to be done. Additionally, markets are becoming increasingly more global in their dimensions, impacting the way we must work and do things.

Several of our businesses are consumer facing. Consumers by and large don't understand technology, but yet we need to apply a multitude of new technologies effectively in order to deliver the applications they seek to satisfy their needs.

Your company intends to focus on both these issues to deliver consistent value, going ahead. Additionally, sustainability and business outcomes will take priority over all other considerations. Towards this end, we will continuously strive to set new standards for excellence and exceed them.

Having said this, we do acknowledge that there are issues at hand to be dealt with first, like resource mobilisation, in order to put us on the track that we have defined for ourselves and continue to hone.

However, we are confident of changing things for the better and achieving the goals we set for ourselves.

## Cautionary note regarding forward looking statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential, or continue' and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in BPL Limited's core business and core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults (vii) interest rate levels, (viii) currency exchange rates, (ix) changing levels of competition, (x) changes in laws and regulations, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The matters discussed herein may also involve risks and uncertainties described from time to time in BPL Limited's various communications. The Company assumes no obligation to update any forward-looking information contained herein.

# Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors present the Forty Second Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2006. The financial highlights of the Company are as follows:

## FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Crores)	
	Year ended 31.03.2006 (12 months)	Period ended 31.03.2005 (18 months)
Net Sales and other income	496.76	416.90
Profit before Interest, Depreciation and Tax	(271.22)	(143.34)
Less: Interest	8.94	5.10
Depreciation	32.20	62.70
Provision for Diminution in value of investments	(5.17)	(57.23)
Extraordinary items – Expenditure/(net)	(306.58)	194.27
Profit / (Loss) before Tax	(258.68)	(74.11)
Deferred Tax Asset	-	0.07
Profit / (Loss) after tax	(273.20)	(74.04)

## BUSINESS OVERVIEW

Your Company undertook a comprehensive financial and business restructuring to revive its business. Accordingly, a restructuring scheme was submitted to Corporate Debt Restructuring (CDR) Cell set up by the Reserve Bank of India to help in such cases. The CDR Empowered Group on 9.11.2004 approved this Scheme. Simultaneously, an application was filed before the Hon'ble High Court of Kerala for approval of similar Scheme under Section 391 of the Companies Act, 1956, in order to make this scheme applicable to all lenders, including those not covered by the CDR mechanism. This Scheme was approved by the Hon'ble High Court of Kerala on 23.8.2005. Subsequently, your Company transferred its Colour Television (CTV) business to SANYO BPL Private Limited, a 50 : 50 joint venture company for CTVs between your Company and SANYO Electric Co. Ltd., Japan. The Company had taken requisite approval of the shareholders for this transfer and the consideration received in connection with this transfer also was utilised for settlement of dues to the secured creditors in terms of the Scheme of Arrangement approved by the Hon'ble High Court of Kerala.

In order to meet the amount required for meeting the commitments under the approved Scheme of Arrangement, your Company had proposed to raise funds from a foreign investor. However, to save on the interest cost and servicing obligations on this loan and to help in faster revival of your Company, the promoters have infused Rs. 92 Crores. As approved by the shareholders in the Extra Ordinary General Meeting on 30th March, 2006, allotment of 1,70,00,000 equity shares of Rs. 10/- each, at a premium

of Rs. 33.02 per share aggregating to Rs. 73.13 Crores pursuant to the SEBI Guidelines for Preferential Issues and after obtaining the necessary clearances has been completed. As a result, the paid up equity share capital has gone up by Rs. 17 Crores.

In view of the continued working capital shortage, your Company could not operate at optimum level and hence, turnover was at Rs. 135.02 Crores and resulted in a loss of Rs.273.20 Crores for the year ended 31st March 2006. In order to address the working capital requirements and to meet certain capital expenditure required for reviving the operations of the residual units, your Company is in advanced stage of discussion with certain bankers. Your Directors are unable to recommend any dividend, in view of the absence of profits for the period under review.

Your Directors are confident that with the completion of restructuring exercise coupled with the new initiatives in raising funds for operations, the Company will be in a position to revive its operations in a more efficient and cost effective manner, making optimum utilization of all its available resources.

## BUSINESSES

### ■ ENTERTAINMENT ELECTRONICS GROUP

As the members are aware, the Entertainment Electronics Group comprised mainly of CTV business, which has now been transferred to 50:50 joint venture of your Company with SANYO of Japan.



# Directors' Report and Management Discussion & Analysis

## ■ HEALTH CARE BUSINESS GROUP

### □ Industry structure & developments

In line with the substantial growth registered by the Health Care Industry during 2005-06, this Business Group also put all efforts to keep pace with the industry. Gynaecology and Home Care segments recorded an impressive growth of 44% & 23% respectively during the period under review.

Though the limitations in enhancing the Working Capital had pulled back in over all growth, this Group could register substantial growth in both value as well as market share in major segments like Cardiology, Gynaecology and Home Care. This Group had introduced new products in Patient Monitoring and Gynaecology to offer a wide range to the end users. Your Company currently is addressing Cardiology, Patient Monitoring, Gynaecology and Home Care and planning to enter anesthesiology and dentistry.

### □ Opportunities and Threats

BPL continues to be the leader in ECG, Defibrillator segments of Cardiology and is poised to achieve the same position in Gynaecology as well. The future of this Industry is very positive and BPL believes that it can take a major share from this projected business by addressing markets both in India and SAARC countries.

### □ Outlook

A host of new products have been lined up to consolidate our position in Cardiology, Patient Monitoring and Gynaecology.

BPL is planning to leverage its brand equity in Home segment by extending Home Health Care Products to the Indian middle class families, thereby enhancing the turnover multifold in the immediate future.

## AUTOMATION BUSINESS GROUP

### □ Industry structure & developments

The operations of this Group was adversely affected due to working capital constraints, and the turnover has actually dropped by 10% during the year. The joint venture Company with SANYO has placed orders for CTV cabinets and the Group has received orders for export of CTV cabinets also. The demand from the automobile and non-automobile sectors has also increased, which could not be fully met due to working capital constraints.

### □ Opportunities and Threats

The Company is continuing to face constraints of working capital and higher attrition. Efforts are continuing to address these concerns and to handle them effectively and achieve its projected revenues.

### □ Outlook

This Group is targeting to offer one stop 'art to part solutions' to its wide range of customers and is also planning to address the tool requirements of European and American countries.

## PCB BUSINESS

### □ Industry structure & developments

Excess capacity in the industry has resulted in pressure on profitability as well as business expansion. However, your Company's quality has been a scoring point to continue to increase business with the existing customers as well as to add new customers. Working capital shortage has to a certain extent affected the optimal operations of this Group.

### □ Outlook

To meet the demands of the customers, the required replacements to the plant and introduction of multi layered PCBs and other new lines are being explored. The Group is actively pursuing options to increase the capacity utilization of the plant to increase the profitability.

## ALKALINE BATTERY BUSINESS

### □ Industry structure & developments

In this industry also, there is an excess capacity on worldwide basis. Alkaline batteries do not have a large market in India and this business is essentially targeted at export market. Competition from cheaper products from China and other Far East countries has put pressure on the profitability of the Group. Substantial increase in the raw material prices has resulted in the plant being not fully utilized for a large part of the financial year.

### □ Opportunities and Threats

Our product samples have been approved by several large super market chains abroad as well as well known brands from Europe for production under their own brand.

### □ Outlook

Efforts are being made to negotiate with the existing and the new customers for better realization to offset the raw material price increase. This is expected to improve the plant capacity utilization and improve the profitability.

## FINANCIAL PERFORMANCE AND ANALYSIS

### □ Share Capital

The paid up Equity Share capital of the Company as on 31st March, 2006 stood at Rs. 27.69 Crores comprising 2,76,89,900 equity shares of Rs 10/- each fully paid up. The Company has a paid up Preference Share Capital of Rs. 169.59 Crores as on 31st March, 2006 consisting of 1,69,58,682 shares of Rs.100/- each.

# Directors' Report and Management Discussion & Analysis

## □ Reserves & Surplus

The Reserves of the Company reduced from Rs. 311 Crores in 2003-05 to Rs. 165 Crores in 2005-06.

## □ Borrowings

Total borrowings of the Company as on 31st March 2006 was Rs. 266 Crores.

## □ Capital Expenditure

The capital expenditure of the company for the financial period ended 31st March, 2006 was Rs.0.52 Crores. The Company had invested Rs.0.24 Crores in Plant & Machinery and Rs.0.28 Crores in other Fixed Assets.

## □ Depreciation and Amortization

The details of depreciation and amortisation 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 has been made in the books.

## ■ HR PRACTICES AND MAJOR INITIATIVES

Although Human Resource initiatives in the Company during the year were not as many as in the earlier years due to financial constraints, past initiatives have contributed towards the achievement of business goals of the organisation.

## ■ SAFETY, HEALTH AND ENVIRONMENT

Your Company continues to lay stress on safety and healthy working environment at all its units. With a view to ensuring cordial labour relations, long term agreements are entered into with the employees.

BPL Limited employed 868 employees as on March 31, 2006.

## ■ CHANGE IN CAPITAL

The Preference Share Capital increased to Rs. 169.59 Crores as a result of allotment of new preference shares in terms of the approved Scheme of Arrangement.

## ■ DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the accounts for the year ended 31st March 2006, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements 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 loss of the company for the year under review;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;

iv) the Directors had prepared the accounts for the year ended 31st March, 2006, on a 'going concern' basis.

## ■ PUBLIC DEPOSITS

Your Company had stopped accepting / renewing deposits from the public.

## ■ SUBSIDIARY COMPANIES

BPL Display Devices Limited, Bharat Energy Ventures Limited and BPL Securities Private Limited are the subsidiaries of the Company. During the year under review, BPL Soft Energy Systems Limited ceased to be a subsidiary due to divestment made by your Company.

The Audited Accounts and other particulars pursuant to Section 212 (1) of the Companies Act, 1956 relating to BPL Display Devices Limited, Bharat Energy Ventures Limited and BPL Securities Private Limited are appended to this report.

## ■ PARTICULARS OF EMPLOYEES

Information required to be furnished in terms of Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, is given as an Annexure to this Report and the same would be provided to the members on request being made to the Company Secretary.

## ■ CONSERVATION OF ENERGY

Though not a large scale user of energy, BPL is concerned about efficiently using scarce resources, protecting the environment etc. and has taken several measures in this regard. These efforts collectively, to sum up, has resulted in securing the ISO 14000 EMS (Energy Management Systems) Certification. They include Water Recycling, Waste Recycling, Solder Fumes Control, Power Factor Improvement to reduce electrical transmission wastage etc.

## ■ RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

BPL has a strong "in-house R&D" and has always been playing a leading role in company's creative activities. R&D efforts are focussed on New/Contemporary Model introduction, User Convenience, Performance Improvements and Value Engineering/Cost Reduction.

### Specific Areas in which Research & Development is carried out by the Company

R&D has provided the following products / "efforts for improvement" during the year under review :