



Believe in the Best

Annual Report

BPL Limited

ANNUAL REPORT 2008 - 2009

2008 - 2009

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 (upto 11.11.2008)*

Subhash Bathe

CORPORATE OFFICE

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

MANUFACTURING FACILITIES

BPL Works, Palakkad 678 007, Kerala

Doddaballapur 561 203, Bangalore District

COMPANY SECRETARY & COMPLIANCE OFFICER

V Ravi

AUDITORS

M/s. T Velu Pillai & Co.,

Chartered Accountants, Bangalore

REGISTERED OFFICE

BPL Works, Palakkad 678007, Kerala

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Notice of Annual General Meeting

NOTICE is hereby given that the 45th Annual General Meeting of BPL Limited, will be held on **Wednesday, the 30th September, 2009** 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 Profit & Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with Reports of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. K S Prasad, who retires by rotation, and being eligible, offers himself for re-election.
- 3) To appoint a Director in place of Mr. S Padmakumar, 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.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be and is hereby reclassified from the existing Rs. 225,00,00,000/- (Rupees two hundred twenty five Crores only) comprising of 5,00,00,000 (Five Crores) Equity Shares of Rs 10/- (Rupees Ten only) each and 1,75,00,000 (One Crore Seventy Five Lakhs only) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each to Rs. 225,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) comprising of 5,50,00,000 (Five Crores Fifty Lakhs) Equity Shares of Rs 10/- (Rupees Ten only) each and 1,70,00,000 (One Crore Seventy Lakhs only) Redeemable Preference Shares of Rs.100/- (Rupees one hundred only) each, and consequently, the existing Clause V of the Memorandum of Association of the Company, relating to Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

V. "The Authorised Share Capital of the Company is Rs.225,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) comprising 5,50,00,000 (Five Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 1,70,00,000 (One Crore Seventy Lakhs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each with a power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or the Articles of Association of the Company, for the time being".

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered as follows:

A. The existing Article 3 of the Articles of Association of the Company be and is hereby deleted and be substituted in its place by the following new Article:

New Article 3:

"The Authorised Share Capital of the Company is Rs.225,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) comprising 5,50,00,000 (Five Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 1,70,00,000 (One Crore Seventy Lakhs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each, with a power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or the Articles of Association of the Company, for the time being".

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting a new Article 4A, after Article 4(c) as follows:

New Article 4A:

Subject to the provisions of the Companies Act, 1956 and the Articles of Association, the Board may from time to time, create, offer and issue to or for the benefit of the Company's employees and to such categories of Directors as may be permitted and to the employees / Directors of the Company's Holding Company or Subsidiary Companies, such number of equity shares of the Company of the face value of Rs. 10/-, for subscription on such terms and conditions, as may be determined by the Board/Committee of the Board, prior to the issue and offer, in consultation with the authorities concerned, and in accordance with such Guidelines / Regulations or other provisions of law, as may be prevalent at that time, but ranking pari passu, with the existing equity shares of the Company:

1. The issue price of such shares shall be determined by the Board / Committee of the Board in accordance with the laws prevalent at the time of the issue.

2. In the alternative to equity shares mentioned above, the Board / Committee of the Board may also issue bonds, equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time.

All such issues as above are to be made in pursuance of Employees' Stock Option Scheme (ESOS/ ESOP) or in such other forms as may be permitted in law, to be drawn up and approved by the Board/Committees of the Board.

- 8) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable Regulations / Guidelines and subject to such other approvals, permissions, consents and/or sanctions as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate, and agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee of Directors), consent of the Company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranche(s) 20,00,000 equity shares to the Employees/ such categories of Directors as may be permitted, through a Employee Stock Option Scheme, determined in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, as amended, on such terms and conditions as the Board of Directors in its absolute discretion may deem fit and that the Board be and is hereby authorized to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force.

"RESOLVED FURTHER THAT pursuant to the provisions of the Listing Agreement executed by the Company with the Stock Exchanges that the total options granted to the Non-Executive Directors including independent directors of the company shall not exceed 10% (ten percent) of the total options granted to the employees, in any financial year and in aggregate, during the tenure of this scheme.

RESOLVED FURTHER THAT the equity shares so issued under Employee Stock Option Scheme shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including those stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this Resolution.

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

- 9) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable Regulations / Guidelines and subject to such other approvals, permissions, consents and/or sanctions as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate, and agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee of Directors), consent of the Company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranche(s) of equity shares through a Employee Stock Option Scheme, determined in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, as amended, on such terms and conditions as the Board of Directors in its absolute discretion may deem fit and that the Board be and is hereby authorized to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force to the employees and such categories of Directors of any Subsidiaries, of the Company, as may be permitted under SEBI Guidelines, out of the total shares earmarked under the Employees' Stock Option Scheme.

"RESOLVED FURTHER THAT pursuant to the provisions of the Listing Agreement executed by the Company with the Stock Exchanges that the total options granted to the Non-Executive Directors including independent directors of the subsidiary companies shall not exceed 10% (ten percent) of the total options granted to the employees of such subsidiary companies, in any financial year and in aggregate, during the tenure of this scheme, out of the total quantity to be determined for the subsidiary companies.

RESOLVED FURTHER THAT the equity shares so issued under Employee Stock Option Scheme shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend.

Annexure to Notice

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including those stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this Resolution.

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

By order of the Board

V Ravi

Company Secretary

Bangalore

25.08.2009

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES, ONCE ISSUED WILL HOLD GOOD FOR ANY ADJOURNMENT OF THIS ANNUAL GENERAL MEETING.
2. Members / Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 21st September, 2009 to 30th September, 2009 (both days inclusive).
4. Shareholders intending to require information about accounts, to be explained at the Meeting, are requested to inform the Company at least a week in advance of their intention, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
5. Pursuant to the clauses of the listing agreement, additional information on Directors seeking re-election at the Annual General Meeting is appended to this Notice.
6. Shareholders are requested to address all their correspondence including on matters related to Share Transfers, Non-receipt of Annual Report etc., to the Investors' Service Cell, at Dynamic House, No. 64, Church Street, Bangalore - 560 001.

By order of the Board

V Ravi

Company Secretary

Bangalore

25.08.2009

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

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item Nos. 5 and 6

It is proposed to reclassify the Authorised Share Capital of the Company by reducing 5 lakhs of Preference Shares (i.e. from 175 lakhs to 170 lakh shares) of Rs.100/- each, and enhancing the Equity Shares by 50 lakhs (from existing 500 lakhs to 550 lakhs shares) of Rs.10/- each aggregating Rs.5 crores, in view of the proposed introduction of Employee Stock Option Scheme (ESOP), to reward employees for their continuous hard work, dedication and support, which has led the company on a growth path and to enable the employees to enjoy the fruits of growth that the company has witnessed in the recent past. A detailed explanatory note on the Employee Stock Option Scheme has been furnished below vide Item No. 8 of the Explanatory Statement. Consequently, the relevant clauses in the Memorandum and Articles of Association of the Company require suitable amendments, as mentioned in Resolutions under Item Nos. 5 and 6 of the Notice.

Accordingly, consent of the Shareholders has been sought to reclassify the Authorized Share Capital of the Company, as stated above.

Sections 16, 94 and 31 of the Companies Act, 1956, provide inter-alia that the reclassification/alteration of Capital Clauses in the Memorandum and Articles of Association of the Company, requires the consent of the Shareholders in a General Meeting.

A copy of the Memorandum and Articles of Association of the Company being amended is open for inspection by the members during the office hours at the Registered Office of the Company. The Directors recommend the Resolutions as set out in item Nos. 5 and 6 for members' approval.

None of the Directors of the Company is concerned or interested in the Resolutions.

Item No. 7

It is proposed to alter the Articles of Association by inserting a new Article "4A" after Article 4(c), for the purpose of enabling issue of equity shares to the permanent employees/directors of the company and its subsidiaries under the Employee Stock Option Scheme (ESOP), pursuant to applicable SEBI Guidelines.

Pursuant to Section 31 of the Companies Act, 1956, the amendment in the articles of association requires the consent of the shareholders of the Company in the General Meeting.

The Directors recommend the Resolutions as set out in item No. 7 for members' approval.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 8

Your company has always believed in rewarding employees for their continuous hard work, dedication and support, which has led the company on a growth path. To enable more and more employees to enjoy the fruits of growth that the company has witnessed, it is proposed to implement an Employee Stock Option Scheme called ESOS - 2009. The main objective of the scheme is to give employees who are performing well, a certain minimum opportunity to gain from the company's performance thereby acting as a retention tool.

Stock Options have long been recognized, as an effective instrument, to align the interests of employees with those of the company, and its shareholders, provide an opportunity to the employees to share in the growth of the company and create long term wealth in the hands of the employees and stock options create a common sense of ownership between the Company and its employees, paving the way for an unified approach to the common objective of enhancing overall shareholders' value.

The following explanatory statement sets out the various disclosures as required by clause 6.2 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (herein referred to as the ESOP Guidelines) and the salient features of the ESOS-2009 are as under:

(a) Total Number of Options to be granted

The total number of options to be granted under this scheme to the employees including independent Directors of the Company whether working in or outside India of the Company, would not exceed 20,00,000 options. One option entitles the holder of option to apply for one equity share of the company.

(b) Identification of classes of employees entitled to participate in the ESOS - 2009

The Permanent employees in the in the grade of Senior Managers & above and Independent & Whole Time Directors of the Company and also the employees and Whole time Directors including Independent directors of its subsidiary Companies, including new employees joining in future are eligible to participate in this ESOS 2009.

Employees who are either promoters or belong to promoter group as defined in SEBI Guidelines will not be eligible for grant of options under ESOS - 2009. Further, a Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company shall not be eligible to participate in ESOS-2009.

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) Requirements of vesting and period of vesting

The options granted shall vest so long as the employee continues to be in the employment of the company. Vesting of options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant.

Vesting of Employee Stock Options granted under ESOP - 2009 occurs in tranches as follows:

| Period | Vesting Proportion |
|--|--------------------|
| At the end of one year from the date of Grant | 40% |
| At the end of two years from the date of Grant | 30% |
| At the end of three years from the date of Grant | 30% |

(d) Maximum period of vesting within which the options shall be vested

The maximum period of vesting may extend up to 3 years from the date of grant of options.

(e) Exercise Price or Pricing Formula

The exercise price shall be a price, as may be determined by the Board / Compensation Committee, which shall not be less than the par value of the share and more than the market value of the share.

The Board / Compensation Committee could under special circumstances decide that the Exercise Price shall be Rs.10/- per share. In such cases, the immediately succeeding Directors' Report / Corporate Governance Report shall carry details of the same.

(f) Exercise Period and the process of Exercise

Exercise period will commence from the vesting date and may extend up to 6 months from the date of vesting of options. The Options will be exercisable by the Employees by a written application to the designated officer of the Company to exercise the Options, in such manner and on execution of such documents, as may be prescribed by the ESOS Compensation Committee under the Scheme. The Options will lapse if not exercised within the specified exercise period.

(g) Appraisal Process for determining the eligibility of employees to ESOS-2009

Performance Appraisal & Development System for ESOS

Objectives

- To serve as a means of increasing organizational effectiveness
- To provide an opportunity for promoting an atmosphere of trust and openness

Annexure to Notice

- To reward meritorious performance
 - To set individual performance target, in line with organizational goals &
 - To bring in a culture of customer service.
- All regular employees' performance will be reviewed annually. Review period for all categories will be 1st April to 31st March every year.
- Employees who have completed 6 months of service as on 1st of July after confirmation will come under Annual Review. All review guidelines printed on the review forms will be strictly followed.

(h) Maximum number of options to be issued per employee and in aggregate

The maximum number of options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of options. However, no employee shall be entitled to more than 1% of the issued capital at the time of grant of options in any single financial year of the company. Total number of options in aggregate reserved under the Scheme is 20,00,000. The Compensation Committee shall decide on the number of options to be granted to each employee within this limit.

As per the revised Clause 49 of the Listing Agreement, the resolution for introducing Employee Stock Options should specify the limits for the maximum number of stock options that can be granted to Non-Executive Directors, including Independent Directors, in any financial year and in aggregate. Accordingly, it is proposed to fix the following limits for Non-executive directors:

- Not to exceed 10% (ten percent) of the total options granted to the employees, in any financial year and in aggregate, during the tenure of this scheme.

(i) Accounting Methods

The company shall conform to the accounting policies specified in Clause 13.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and/or such other guidelines as may be applicable from time to time.

(j) Method of valuation of these options

The Company shall calculate the employee compensation cost using intrinsic value method. The difference between the compensation cost so calculated and the compensation cost that would have been recognized if the Company had used Fair Value Method and its impact on the profits and earnings per share shall be disclosed in the Directors' Report.

(k) Disclosures in the Directors' Report

The Company shall calculate the employee compensation cost using the intrinsic value of the stock options. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if the company had used the fair value of the stock options shall be disclosed in the Directors Report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors Report.

Clause 6 of the ESOP Guidelines requires that any ESOS scheme for offering stock options to the employees of the company must be approved by the shareholders by way of a special resolution. Furthermore, as the scheme will entail further shares to be offered to persons other than existing shareholders of the company, consent of the members is required by way of a special resolution pursuant to the provisions of Section 81(1A) of the Companies Act, 1956.

Accordingly the resolutions set as Item No. 8 are being placed for the approval of shareholders pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 and Clause 6 of the ESOP Guidelines and all the applicable provisions of law for the time being in force.

Yours Directors recommend the resolutions to be passed as Special Resolutions.

Capt. S Prabhala, Mr.K Jayabharath Reddy, Mr.Suraj L Mehta, Mr.K S Prasad, Mr. S Padma Kumar and Mr.Subhash Bathe, Directors, are deemed to be interested or concerned in this resolution to the extent of stock options/ equity share that may be granted to them under the Scheme.

Mr.Ajit G Nambiar and Ms.Anju Chandrasekhar, Directors of the Company, are not concerned or interested in the Resolutions.

Item No.9

It is proposed to extend the Employee Stock Option Scheme called ESOS -2009 to the employees and directors of the subsidiary companies. The main objective of the scheme is to give employees who are performing well, a certain minimum opportunity to gain from the company's performance thereby acting as a retention tool.

Clause 6.3 (a) of the ESOP Guidelines requires that any ESOS scheme for offering stock options to the employees of the subsidiary company must be approved by the shareholders by way of a special resolution. Furthermore, as the scheme will entail further shares to be offered to persons other than existing shareholders of the company, consent of the members is required by way of a special resolution pursuant to the provisions of Section 81(1A) of the Companies Act, 1956.

Accordingly the resolutions set as Item No.9 are being placed for the approval of shareholders pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 and Clause 6.3 (a) of the ESOP Guidelines and all the applicable provisions of law for the time being in force.

Yours Directors recommend the resolutions to be passed as Special Resolution.

Except Capt. S Prabhala, who is a Director of one of the Subsidiaries and who may be granted stock options/ equity shares under the Scheme, none of the other Directors are interested or concerned in this resolution.

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

Mr. K S PRASAD

Mr. K S Prasad, 75 has been associated with BPL for more than two decades. 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 Investors' Relation Committee of BPL Limited.

MR. S PADMAKUMAR

Mr. S Padmakumar, 75, has been associated with the Company for nearly 2 decades. After a distinguished academic career, he entered the Indian Administrative Service, during which he had 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 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.

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 Limited, City Theatres Private Limited

Names of the Company in which Mr. S Padmakumar is a Chairman / Member of Committee / s

| Sl. No. | Name of the Company | Nature of position |
|---------|--------------------------------------|--------------------|
| A | Audit Committee | |
| | Binani Industries Limited | Chairman |
| | Binani Cement Limited | Chairman |
| | Goa Fibre Glass Limited | Member |
| B | Investors' Relation Committee | |
| | Binani Industries Limited | Member |
| | Binani Cement Limited | Chairman |
| | Goa Fibre Glass Limited | Member |

Mr. S Padmakumar is also a member of the Audit Committee and Investors' Relation Committees of BPL Limited.

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

| Name of the Director | No. of Board Meetings held during 2007-2008 | No. of Board Meetings attended | Last AGM Attendance (Yes/No) | No. of Shares held |
|----------------------|---|--------------------------------|------------------------------|--------------------|
| Mr. K S Prasad | 5 | 5 | Yes | 3,29,400 |
| Mr. S Padma Kumar | 5 | 3 | Yes | Nil |

By Order of the Board

V Ravi

Company Secretary

Bangalore

25th August, 2009

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

Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors present the Forty Fifth Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2009. The financial highlights on the operations of the Company are as follows:

Financial Highlights

(Rs. in Crores)

| Particulars | Year ended | |
|--|------------|------------|
| | 31.03.2009 | 31.03.2008 |
| Net Sales and other income | 77.19 | 118.13 |
| Profit before Interest, Depreciation and Tax | (0.53) | (21.94) |
| Less: Interest | 11.85 | 12.03 |
| Depreciation | 11.40 | 11.47 |
| Provision for Diminution in value of investments | 26.57 | 90.75 |
| Provision for doubtful advances/ debts | 29.01 | - |
| Profit / (Loss) before Tax | (79.36) | (136.19) |
| Deferred Tax Asset | 66.07 | 90.22 |
| Fringe Benefit Tax | 0.18 | 0.26 |
| Profit / (Loss) after Tax | (13.47) | (46.23) |

□ BUSINESS OVERVIEW

Working Capital constraints continue to impact the operating businesses and coupled with closure of the unviable Engineering Plastics & Design Solutions business, the net sales & other income of the Company had declined from Rs. 118.13 Crores during the year 2007- 08, to Rs.77.19 Crores, for the year 2008-09.

Your Company is making concerted efforts to effectively address the working capital requirements & is confident of finding a suitable solution, during the current financial year. This, along with a few new initiatives taken, as explained in the following paragraphs, will help in reviving the operations of the Company, to a sustainable level.

Your Directors regret their inability to recommend any dividend due to losses incurred, by the Company, during the year under review.

□ HEALTH MANAGEMENT SOLUTIONS (HMS)

In order to denote the wider range of applications, services & products & to emphasize the enhanced focus on the same, the name of the Business Group has been changed to *HEALTH MANAGEMENT SOLUTIONS*, from Heath Care Business Group.

○ Industry structure & developments

The medical equipment market in India is currently estimated to be in the region of around 12,000 Crores and is growing at 12-14% year on year. 60% of this is imported. The Indian Medical Device Industry is ramping up its R&D, as also is manufacturing

for exports. This includes Alleges, L&T Medical, RMS, Nasan, etc. The regulatory framework Bill for Medical Devices is currently in Parliament. Once in place, it would serve to eliminate players who produce sub-standard products. This will throw up challenges for several players in the Indian market. GE & Philips who have traditionally been in the high-end devices space, are planning to enter into the secondary Healthcare space and are expanding their footprint to Tier II cities.

Despite severe constraints in working Capital and unfavourable currency movements, the Group ended the year with Net Revenues of Rs. 51.92 Crores, as compared to Rs. 64.54 Crores in 2007-08.

○ Opportunities and Threats

During the year, the Group entered into a major Strategic Initiative with Welch Allyn, the undisputed Global leader in Frontline Diagnostic Products. This should translate into significant revenues for the Company in the coming years. Additionally, the Company has signed an exclusive distribution arrangement with Shimadzu of Japan for X-rays and Ultrasound imaging products. During the year, the business initiated the development of two new products viz. A4 ECG and Public Access Defibrillators. These are expected to be marketed during the current year.

The Group had embarked upon several cost reduction initiatives, primarily in the areas of procurement, logistics and manpower rationalization. The pace of technology change is a key risk for players in this area.

Directors' Report and Management Discussion & Analysis

○ Outlook

Health Management Solutions Group continues to address the growing needs of the primary and the secondary sectors of the healthcare market. Plans are afoot to introduce a range of diagnostic products in the area of cardiology, diagnostic imaging, patient monitoring and personal care, which are telemedicine-enabled. These products and solutions are wider in range & will cut across Point-of-Care, Acute-Care, Sub-Acute Care and Home-Care areas. The Group has entered into formal arrangements with a number of global technology providers for Original Equipment Manufacturers (OEMs) and technology transfer. Also, other strategic partnerships for healthcare projects are being actively explored. The Company expects that some of these initiatives should materialize during the course of this financial year.

□ PCB BUSINESS

○ Industry structure & developments

PCB demand for varied applications in the areas of domestic lighting for CFL lamps, automotive industry and chargers and adapters for consumer electronics continued to show healthy growth during the current year.

The Group's margins have decreased due to capacity build up in the industry, Chinese competition, closure of operations of one of the principal customers and the problem has been compounded by the increase in the LCD TV segment, since the demand for single layer PCBs is from CRT-based CTV, which has declined significantly.

The new markets entered by the Group during the year were Lighting (CFL & Electronic Ballast).

○ Outlook

Overcoming the working capital constraints will enable the Group to tap the supply of PCB for the new technologies in domestic lighting and mobile phone charger / adapter.

The Group, in order to meet the quality & volume demands of the customers, is actively pursuing options to increase the capacity utilization of the plant and to improve the profitability.

□ ALKALINE BATTERY BUSINESS

○ Industry structure & developments

While the domestic market has shown growth in the last couple of years, the global market continues to remain highly competitive. The Company faced with working capital constraints could not provide funds for the operations of the division. However, your Company continues the discussions with possible Joint Venture partner to examine the possibility of transfer of the business to a Joint Venture Company.

□ FINANCIAL PERFORMANCE AND ANALYSIS

○ Share Capital

During the year, there was no change in the share capital of the Company. The paid up Equity Share capital of the Company as on 31st March, 2009 was Rs.48.51 Crores comprising 4,85,10,244 equity shares of Rs 10/- each, fully paid up. The paid up Preference Share Capital of the Company as on 31st March, 2009 was Rs. 169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of Rs.100/- each.

○ Reserves & Surplus

There was no change in the Reserves of the Company, during the year 2008-09 and it stood at Rs.236.36 Crores.

○ Borrowings

Total borrowings of the Company as on 31st March, 2009 stood at Rs.300.63 Crores.

○ Capital Expenditure

The capital expenditure of the company for the financial year ended 31st March, 2009 was Rs.1.19 Crores. The Company had invested Rs.0.10 Crores in Plant & Machinery and Rs. 1.09 Crores in other Fixed Assets.

○ 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

The human resource team has redrawn work allocations and organization structures to optimize work efficiency. A road map to create employee-centric policies drawing on the best practices in the industry has been formalized.

○ SAFETY, HEALTH AND ENVIRONMENT

Your Company continues to lay stress on safety and healthy working environment at all its units. Activities like stress management through meditation and yoga were undertaken for all levels of employees.

Your Company had 421 employees as on March 31, 2009.

□ 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, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and

Directors' Report and Management Discussion & Analysis

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 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; and
- iv) the Directors had prepared the accounts for the year ended 31st March, 2009, 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.

The audited accounts and other particulars pursuant to Section 212(1) of the Companies Act, 1956 relating to Bharat Energy Ventures Limited and BPL Securities Private Limited are appended to this Report.

BPL Display Devices Limited had been ordered to be wound up as per the orders of the Honorable High Court of Allahabad, on 17th October, 2008. Hence, the accounts of the said Company do not form part of 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.

□ CONSERVATION OF ENERGY

Though not a large scale user of energy, BPL has taken several measures to conserve scarce resources and protect the environment. These efforts have collectively resulted in securing the ISO 14000 EMS (Energy Management Systems) Certification. They include Water Recycling, Waste Recycling, Solder Fumes Control and Power Factor Improvement.

□ RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

BPL has continually invested into efforts for developing technologies and products for affordable healthcare. A number of products that were "telemedicine" enabled were introduced during the year and have been actively introduced into the market. BPL also partnered with the local governments and NGOs in developing products that addressed specific local needs.

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

The BPL HMS Group's focus on frontline care and in the primary care area has developed a range of diagnostic medical equipment that empowers the healthcare personnel in the frontline. These products incorporate the state of the art technologies and also are built to perform under the rigorous conditions of rural India. India's first biphasic defibrillator was launched in this year and a family of cardiac resuscitation devices, including a public access defibrillator, are planned for release in the early part of next year.

○ Benefits derived from R & D

As a result of the Company's R & D activities, it has been able to retain its technological leadership, achieve cost reduction and retain customer acceptance despite working capital constraints.

○ Future plan of action

In line with the R&D road map and to put the Division on a fast track, HMS Group has entered into agreements with a number of global technology companies in order to bring latest & appropriate technologies. These products will drive the cost of healthcare down by promoting early stage diagnosis.

Your Company has entered into a licensing agreement with Corscience in Germany for using the Defibrillator technology.

□ R&D EXPENDITURE

R & D Expenditure during the year amounted to Rs.3.36 Crores, which is 4.35% of the turnover.

□ FOREIGN EXCHANGE OUTGO

During the period under review, your Company utilized foreign exchange worth Rs.32.94 Crores.

□ DIRECTORS

Mr. K S Prasad and Mr. S Padmakumar, Directors, retire by rotation, at the ensuing Annual General Meeting and are 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.

□ 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 efforts put in by each and every employee of the Company during this difficult phase, your company is passing through. The Board also acknowledges the support received from SANYO (Japan) and the continued co-operation received

Annexure to Directors' Report

from Dealers, Suppliers, Banks, Financial Institutions and Shareholders.

For and on behalf of the Board of Directors

Bangalore
15th May, 2009

Ajit G Nambiar
Chairman & Managing Director

❑ ADDENDUM TO DIRECTORS' REPORT

Point No. 9 to 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, and other statutory dues. Some of the Statutory dues have been outstanding for more than six months from the date on which they became payable.

Due to cash flow constraints, there have been some delays; however, most have since been cleared.

For and on behalf of the Board of Directors

Bangalore
15th May, 2009

Ajit G Nambiar
Chairman & Managing Director

Annexure to Directors' Report

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2009.

| Sl. No. | Name | Designation | Qualification | Gross Remuneration (Rs.) | Age (in yrs) | Experience (in yrs) | Date of Commencement of Employment | Previous Employment / Position held |
|---------|------------------------|-------------------------------|---|--------------------------|--------------|---------------------|------------------------------------|---|
| 1. | Ajit G Nambiar | Chairman & Managing Director | BS in Computer Engg. Technology, Boston University, USA | 80,16,000/- | 46 | 24 | 02.12.1993 | Managing Director Electronic Research Pvt. Ltd |
| 2. | Shashi Nambiar | Chief Tech. Officer | B.E. (Electrical) | 37,88,965/- | 48 | 24 | 01.02.2008 | Director - NI Micro Technologies Pvt. Ltd. |
| 3. | A Vijaya Simha | Chief Operating Officer | M.Sc (Tech), MMS, PGD | 32,90,443/- | 53 | 28 | 15.05.2006 | CEO-Europe and America Unisantis, S.A, Switzerland |
| 4. | M V Ramdas | Sr.VP-Projects | BE(Mech), MBA | 53,50,927/- | 50 | 25 | 01.04.2006 | VP & CFO - BPL Power Projects (AP) Pvt. Ltd. |
| 5. | S Hariharan | Chief Taxation Officer | B.Com., ICWA, LLB | 30,09,883/- | 55 | 35 | 01.01.1980 | Asst. Cost Accountant Mysore Playwoods Ltd. |
| 6. | S Varadarajan | GM-Corporate Accounts | B.Sc., ACA, DISA | 32,35,241/- | 57 | 32 | 07.11.1984 | Manager - Accounts & Admin. Malabar Spinning & Weaving Mills Ltd. |
| 7. | S H Katti | VP | M. Sc. | 24,49,109/- | 56 | 33 | 01.02.2008 | Vice President, NI Micro Technologies Pvt. Ltd. |
| 8. | K Vishwanath | Chief Corporate Admin Officer | B.Sc., LLB | 31,41,217/- | 55 | 35 | 01.06.1990 | Asst. Manager Administration Electronic Research Pvt. Ltd. |
| 9. | Devendra Prasad Ameta* | CFO | B.Com., FCA, FICWA | 19,32,742/- | 48 | 23 | 01.03.2002 | Deputy General Manager - Commercial, BST Ltd. |
| 10. | A M Saleem | Director - Corporate Planning | B.Com., CA (Inter) | 44,23,107/- | 58 | 33 | 01.08.2007 | Wholtime Director BPL Display Devices Ltd. |

* Employed for a part of the year.

Notes : 1. All appointments are contractual. Other terms and conditions are as per Company's Rules.

2. Gross Remuneration includes Salary, Bonus, Medical Expenses, Company's Contribution to Provident and Superannuation Funds and monetary value of perquisites as per Income Tax Rules.

3. None of the employees is related to any Director of the Company, except Mr. Ajit G Nambiar, Chairman & Managing Director, who is related to Ms. Anju Chandrasekhar, Director.

For and on behalf of the Board

Bangalore
15th May, 2009

Ajit G Nambiar
Chairman & Managing Director

Auditors' Report on Corporate Governance

To 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 2009, as stipulated in Clause 49 of the 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 thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned 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 the 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

Bangalore
15th May, 2009

M S Ram(26687)
Partner

Report on Corporate Governance

1. Company's philosophy on Code of Governance

The Company has always been committed to the system of good corporate governance. The Company acknowledges that there are three key aspects of Corporate Governance viz., accountability, transparency and equality of treatment for all stakeholders and has identified the roles and responsibilities and also the rights of the three constituents of Corporate Governance viz., the Shareholders, the Board of Directors and the Management which would enhance shareholder value.

Adequate financial reporting and disclosures are the corner stones of good corporate governance. The Company has been disclosing detailed information on different issues concerning the Company's performance from time to time.

2. Board of Directors

a) Composition, Category of Directors, Attendance at Meetings and Other Directorships / Memberships

The Company has an Executive Chairman and the number of Independent Directors is 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/ Mandatory Committee Memberships | | |
|----------------------|-------------------------------|---|--------------------------------|----------------------------|---|------------------|--------------------|
| | | No. of Board Meetings during Directorship | No. of Board Meetings attended | Last AGM attendance Yes/No | Directorship in other Companies | Committee Member | Committee Chairman |
| Ajit G Nambiar | Promoter - Executive | 5 | 5 | Yes | 20 | - | - |
| Anju Chandrasekhar | Promoter - Non-executive | 5 | 3 | No | 11 | 1 | - |
| Capt. S Prabhala | Independent - Non-executive | 5 | 5 | Yes | 5 | - | 1 |
| K Jayabharath Reddy | Independent - Non-executive | 5 | 5 | Yes | 10 | 2 | 5 |
| KS Prasad | Independent - Non-executive | 5 | 5 | Yes | - | - | 1 |
| S Padmakumar | Independent - Non-executive | 5 | 3 | Yes | 6 | 5 | 5 |
| Suraj L Mehta | Independent - Non-executive | 5 | 4 | No | 3 | 1 | 1 |
| Subhash Bathe | Independent - Non-executive | 5 | 4 | Yes | 2 | 1 | - |
| M Sudhendranath* | Independent - Nominee (ICICI) | 4 | 0 | No | 2 | 3 | - |

*Ceased to be Director w.e.f 11th November, 2008.