



Happier Living Everyday

Annual

BPL Limited

ANNUAL REPORT 2009 - 2010

Report 2009 - 2010

Corporate Information

BOARD OF DIRECTORS

Mr. Ajit G Nambiar, *Chairman & Managing Director*
Mrs. Anju Chandrasekhar
Mr. S Padmakumar
Mr. K S Prasad
Capt. S Prabhala
Mr. K Jayabharath Reddy
Mr. Suraj L Mehta
Mr. Subhash Bathe

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. R Vijayendra

AUDITORS

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

BOARD COMMITTEES

Audit Committee

Mr. K Jayabharath Reddy, *Chairman*
Mr. S Padmakumar
Mr. Suraj L Mehta
Mr. Subhash Bathe

Compensation Committee

Capt. S Prabhala, *Chairman*
Mrs. Anju Chandrasekhar
Mr. K Jayabharath Reddy
Mr. Subhash Bathe

Investors' Relations Committee

Mr. K S Prasad, *Chairman*
Mrs. Anju Chandrasekhar
Mr. S Padmakumar

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

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Notice of Annual General Meeting

NOTICE is hereby given that the 46th Annual General Meeting of BPL Limited, will be held on **Friday, the 24th day of September, 2010 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, 2010 and the Balance Sheet as at that date together with the Reports of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. K Jayabharath Reddy, who retires by rotation, and being eligible, offers himself for re-election.
- 3) To appoint a Director in place of Mr. Suraj L Mehta, 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 a **SPECIAL RESOLUTION** :

***RESOLVED THAT** in accordance with the applicable provisions of the Articles of Association of the Company, the Companies Act, 1956 ("the Act") and the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines), approval of the Company be and is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as the Board which term shall include the Compensation Committee of the Board) to modify/amend the provisions of the Company's Stock Options Scheme for the employees viz., "BPL Limited- ESOS-2009 " relating to the Clauses of Vesting Schedule & Condition and Exercise Period as detailed below:*

- i) The existing Clause 6.1 of the 'BPL Limited ESOS-2009' be replaced as under:

6.1 The options granted shall vest after 12 months from the date of grant or as may be decided by the

Compensation Committee, from time to time, subject to the applicable SEBI Guidelines.

- ii) The existing Clause 7 b) of the 'BPL Limited ESOS-2009' be replaced as under:

7b) The Employee Stock Options granted shall be capable of being exercised within a period of 12 months from the date of vesting of options or such period as may be decided by the Compensation Committee and subject to the terms and conditions of exercising, as may be stipulated by the Compensation Committee, from time to time.

- iii) The existing Clause 7 d) of the 'BPL Limited ESOS-2009' be replaced as under:

7d) In the event of the death of an Employee while in employment with the Company, all the Vested Options and Unvested Options may be Exercised by the Option Grantee's nominee immediately after, but in no event later than 12 months from the date of death.

- iv) The existing Clause 7 e) of the 'BPL Limited ESOS-2009' be replaced as under:

7e) In the event of separation of an Employee from the Company due to reasons of Permanent Incapacity, the Option Grantee may Exercise his or her Vested as well as Unvested Options immediately after Permanent Incapacity but in no event later than 12 months from the date of separation from employment.

By Order of the Board

Bangalore

27th July, 2010

Ajit G Nambiar

Chairman & Managing Director

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.

Annexure to Notice

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 14th September, 2010 to 24th September, 2010 (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 annexed to this Notice.
6. Shareholders are requested to address all their correspondence including on matters related to Share Transfers, Annual Report etc., to the Investors' Service Cell, at 11th KM, Arakere, Bannerghatta Road, Bangalore – 560 076.
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed here to.

By Order of the Board

Bangalore
27th July, 2010

Ajit G Nambiar
Chairman & Managing Director

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

ANNEXURE TO NOTICE

1. 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 No. 5

BPL Limited has introduced a stock option scheme for the employees and eligible directors called "BPL Limited ESOS-2009 " (ESOS-2009), pursuant to the approval of the Members of the Company accorded at the annual

general meeting of the Company held on 30th September, 2009. ESOS -2009 was evolved with a view to provide the employees of the Company a share in the growth of the Company and to attract, retain and motivate the best available talent. The Compensation Committee has been delegated with the powers to administer the ESOS- 2009.

Compensation Committee has not granted any options under ESOS-2009 so far. It has decided that meritorious performance of the employees shall be the criteria for the grant of Options under ESOS- 2009. During the appraisal process of the employees, it was felt that some of the terms of the issue of Options need to be reconsidered to make it more flexible and advantageous by modifying/amending the clauses of the existing Vesting Schedule/Conditions, Exercise Period and other conditions.

The Vesting schedule in the present form spreads over a period of three years at the rate of 40%, 30%, and 30% respectively from the date of grant of Options. The Exercise Period is upto six months from the date of Vesting and in the case of death and separation of an employee from the Company due to reasons of permanent incapacity, the vesting period is six months.

It is proposed to amend the provisions of ESOS-2009 as set out in the proposed Resolution.

The SEBI Guidelines on ESOS provide that a company may by special resolution in a general meeting vary the terms of ESOS offered pursuant to an earlier resolution of a general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the option holders. The proposed variations are not detrimental, as the employees can get 100% of the options vested after one year instead of waiting over a period of three years and also, more time for exercising is justified since vesting is now 100% of options granted at once. A copy of the 'BPL Limited ESOS-2009' Scheme may be inspected by the shareholders during the office hours at the registered office of the Company at Palakkad.

The Directors recommend the Resolutions as set out in item No. 5 for members' approval.

Capt. S Prabhala, Mr. K Jayabharath Reddy, Mr. Suraj L Mehta, Mr. K S Prasad, Mr. S Padmakumar and Mr. Subhash Bathe, Directors, are deemed to be interested or concerned in this resolution, to the extent of stock

Annexure to Notice

options/ equity shares that may be granted to them, under the Scheme.

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

2. Information on Directors seeking Re-appointment at the Annual General Meeting

MR. K JAYABHARATH REDDY

Mr. K Jayabharath Reddy, 73, who holds a Masters in Economics and Masters in Statistics, is a retired IAS Officer, and has held important positions in the State and Central Governments. He was the Chief Secretary to the Government of Andhra Pradesh, Secretary to Government of India, in the Ministry of Urban Development and Secretary in the Finance Ministry. He has headed the Departments of Banking, Insurance and Administration of the Revenue Department in the Finance Ministry.

Mr. Reddy also headed the Secretariat for Industrial Approvals (SIA) in the Industry Ministry. He has been associated with State Industrial and Financial Developmental Organisations as well as financial institutions like the NABARD, IDBI, ICICI, SBI, EXIM Bank, National Housing Bank in executive as well as non-executive capacities.

Companies in which Mr.K Jayabharath Reddy, is a Director :

Lanco Kondapally Power Private Limited, JCT Electronics Limited, BPL Power Projects (AP) Private Limited, Viceroy Hotels Limited, TAJ-GVK Hotels & Resorts Limited, Indus Medicare Limited, NCL Alltek & Seccolor Limited and Facor Alloys Limited

Names of the Companies in which Mr. K Jayabharath Reddy is a Chairman / Member of Committee(s):

Name of the Company	Nature of position
Audit Committee	
Facor Alloys Limited	Chairman
Lanco Kondapalli Power Private Ltd	Member
JCT Electronics Limited	Member
TAJ-GVK Hotels & Resorts Limited	Member

Mr. K Jayabharath Reddy is the Chairman of the Audit Committee and Member of Compensation Committee of BPL Limited.

MR. SURAJ L MEHTA

Mr. Suraj L Mehta, 66, is a Graduate in Economics (Honours).

Mr. Mehta has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. He was the Chief Executive Officer of Dresdner Bank AG in India & was the Geographic Head for the group's four businesses which included Investment, Banking, Securities Broking and Software Development. He has also worked as the Chief Executive Officer of NABIL Bank Limited, the leading private sector bank in Nepal. Mr. Mehta has worked in almost every field of commercial banking & has to his credit major achievements in diverse areas including credit quality, treasury management, organisation structure & business strategy.

Mr. Mehta has nearly four decades of rich and varied experience in the field of Banking in India & abroad.

Companies in which Mr. Suraj L Mehta is a Director: Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited.

Mr. Suraj L Mehta is a member of the Audit Committee of BPL Limited.

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

Name of the Director	No. of Board Meetings held during 2009-2010	No. of Board Meetings attended	Last AGM Attendance (Yes/No)	No. of Shares held
Mr. K Jayabharath Reddy	6	6	Yes	Nil
Mr. Suraj L Mehta	6	2	Yes	Nil

By Order of the Board

Bangalore
27th July, 2010
Registered Office: BPL Works, Palakkad 678 007, Kerala.

Ajit G Nambiar
Chairman and Managing Director

Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the Forty Sixth Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2010. The financial highlights on the operations of the Company are as follows:

Financial Highlights

(Rs. in Crores)

Particulars	Year ended	
	31.03.2010	31.03.2009
Net Sales and other income	118.50	77.19
Profit before Interest, Depreciation and Tax	30.77	(0.53)
Less: Interest	13.34	11.85
Depreciation	10.82	11.40
Impairment Loss on Asset	3.11	-
Provision for Diminution in value of investments	-	26.57
Provision for doubtful advances/ debts	0.36	29.00
Extra-ordinary items (net)	3.76	-
Profit / (Loss) before Tax	(0.62)	(79.36)
Deferred Tax Asset	0.95	66.07
Fringe Benefit Tax	-	(0.18)
Profit / (Loss) after Tax	0.33	(13.47)

❖ BUSINESS OVERVIEW

The operations of your Company continued to be affected due to working capital constraints and lack of bank funding for operations. The cost cutting exercises and strict funds management led your Company to register a small growth in operations of 5.6% compared to the previous year.

The total income recorded was Rs. 120.06 Crores for the year 2009-10 compared to Rs. 79.68 Crores for the previous year. The gross profit earned for the year is Rs. 30.77 Crores. After providing Rs. 10.82 Crores, Rs. 13.34 Crores and Rs. 3.10 Crores towards depreciation, finance charges and for impairment of assets respectively, the Company has earned a profit (before provisions & taxation) of Rs. 3.51 Crores for the year 2009-10.

Your Directors regret their inability to recommend any dividend due to insufficient profits, during the year under review.

❖ HEALTH MANAGEMENT SOLUTIONS (HMS)

Industry structure & developments

The healthcare industry in India, in which your Company presently operates, is projected to have a good growth potential. This sector has been registering growth continuously. The growth in the sector would be driven by its main divisions like healthcare facilities, both in the private and public sectors, medical diagnostic equipments, diagnostic centers and the medical insurance sector. The contribution of diagnostic division to the health care industry would be significant. An increasing number of public and private healthcare facilities, mainly catering to populations in the tier 2 and tier 3 towns are expected to propel demand for the industry. The health insurance is growing fast and is the second largest non-life insurance segment in the country. Also, the public health system is planned to undergo

a facelift with an increased allocation of Rs 22,300 crores in the Financial Year 2010-11 by the Government(s).

Each of the main divisions of the healthcare industry is poised for expansion and the growth in these divisions will either directly or indirectly create growth opportunities for the Company.

Despite the working capital constraints faced, the HMS Business of your Company registered a healthy growth of 36% in terms of net sales during 2009-10 compared to its previous year. It is also heartening to note that the earnings before interest and tax as a percentage (EBITA) of net sales in this business nearly doubled over the previous year.

■ Opportunities and Threats

During the year, the HMS Division entered into a Strategic Initiative with Welch Allyn, the undisputed Global leader in Frontline Diagnostic Products. This is expected to improve the revenues for the Company in the coming years as primary care becomes a focus area for both the private and public healthcare providers. During the year, the business initiated the development of two new products viz. A4 ECG and Public Access Defibrillators. These are expected to be released and marketed during the current year.

The HMS Division had embarked upon several cost reduction initiatives, primarily in the areas of procurement, logistics and manpower rationalization. However, your company also realizes that with a rapid economic growth environment, it would be required to invest into preparedness into scaling up its supply chain capacity and capability at the shortest possible time.

The pace of technology change within the product range of BPL is a key risk area represented by the threat of obsolescence. A number of alliances and partnership proposals are under

Directors' Report and Management Discussion & Analysis

consideration in order to mitigate the threat of obsolescence within the Company's products. Your Company has also initiated efforts into addressing specific health management based programmes which would contemporize our offering as packaged solutions for various customer segments.

■ Outlook

BPL Health Management Solutions will continue to build on its core strengths in the area of customer services and geographical reach besides offering to its customers, the options to build their practice brick by brick. Its product offering will be complemented by more effective diagnostic tools that would empower the point of care, primary care centers as well as the secondary care hospitals.

Your Company intends to broaden customer base by enhancing business development activities in the large corporate hospital chains, partnership with the governments in their efforts to overhaul the primary care system and service requirements in the neighboring countries such as Nepal, Srilanka, Bangladesh, Pakistan and Maldives.

The plans for new product development and R&D were severely constrained due to lack of investments in the last few years. Your Company intends to source technologies and services from organizations across the world in order to complement and keep our offering contemporary. Your Company has also strengthened its regulatory and compliance activities by inducting experienced team of professionals in this area. Apart from being able to meet the deadlines for the proposed Indian Medical Devices and Equipment Regulatory Framework introduction, your Company will also needs to prepare itself for global markets.

The HMS team has also embarked on a "future ready" master plan that would form the framework for a long term strategic plan which envisions BPL HMS's intent on gaining significant leadership in the various niche areas of the Indian and Global Healthcare Industry. The annual operating plan for 2010-11 which embeds this intent is expected to lay the foundation for a robust year on year growth.

❖ PRINTED CIRCUITS BOARD (PCB) BUSINESS

There was no growth in the PCB industry during the 2009-10. The main market for Single Sided PCB comes from consumer electronics, basic telecom equipment, low-end power conversion and the lighting industry. The Demand from CFL Lighting industry is robust, at around 25 million units per month and the same is growing. In Consumer Electronics business, CRT TVs account for major share of demand for PCBs and the trend is likely to remain this way for a few years till a large-scale shift towards LCD TVs takes place.

The net revenues of PCB business of your Company for the year under report, recorded 25% growth and the EBITA also showed a remarkable growth by 130% compared to 2008-09. Your Company supplied 2 million PCBs for TVs across India.

❖ RISKS AND CONCERN

Some of the major risks that your Company is subject to are competition and regulatory changes, and those related to exchange rate fluctuations and technological obsolescence. These kinds of risks are integral parts of every business and your Company is required to invest resources into the areas of research and development, including new product development.

Your Company is making all efforts to mitigate these risks and it endeavours to ensure that the risks associated is commensurate with the returns and enable the Company to capitalize on new opportunities.

❖ INTERNAL CONTROL AND THEIR ADEQUACY

The Company has put in place Internal Control Systems commensurate with the size and nature of Business of the Company ensuring effective checks and balances within the systems and these systems are also being reviewed and upgraded. The Company has also a system of Internal Audit which is conducted by external qualified Chartered Accountants covering large areas including inventory management, purchase, production, sub-contract activities, accounts and finance including cash/bank operations, debtors, creditors, fixed assets and inventories, besides statutory compliances.

❖ 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, 2010 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, 2010 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 2009-10 and it stood at Rs.236.36 Crores.

■ Borrowings

Total borrowings of the Company as on 31st March, 2010 stood at Rs.275.09 Crores.

■ Capital Expenditure

The capital expenditure of the company for the financial year ended 31st March, 2010 was Rs. 2.97 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

The year saw offices located in different locations come together as one team (OneBPL) under one roof working with seamless communication, open space culture and transparent interactions. All support functions were consolidated through CARE (Centralized Administrative and Resource Enhancement) system and emphasis was placed on employee engagement and communication activities. This year was also the year wherein employee stock option scheme was formally announced.

■ EMPLOYEES STOCK OPTION SCHEME

The Company had adopted an Employee Stock Option Scheme entitled "BPL Limited-ESOS-2009" (ESOS-2009) which was approved by the shareholders at the Annual General Meeting of the Company held on 30th September, 2009. The ESOS-2009 is

Directors' Report and Management Discussion & Analysis

framed in terms of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Compensation Committee, so far, has not granted Options under the Scheme, but has plans to grant Options during this fiscal.

■ 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.

BPL Limited (BPL) had 405 employees as on March 31, 2010.

❖ 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, 2010, 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 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;
- 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, 2010, on a 'going concern' basis.

❖ PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

❖ SUBSIDIARY COMPANIES

Bharat Energy Ventures Limited, BPL Securities Private Limited and BPL Display Devices 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 under 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, has been provided by way of an Annexure to this Report.

❖ 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 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.

❖ TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

BPL has continuously 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.

The Company has completed a project for a Biphasic and public access defibrillator under technology licence from Corscience GmbH. The Biphasic has been introduced into the market in this year and the Public Access Defibrillator would be launched during second half of the current financial year.

❖ RESEARCH AND DEVELOPMENT (R & D)

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

The HMS Division focuses on frontline care. And in the primary care area, it 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, is planned for release in the early part of next year.

■ Future Plans of Action

In line with the R&D road map and to put the HMS Division on a fast track, BPL Healthcare has entered into agreements with a number of global technology companies in order to bring appropriate technologies and to maintain and improve its products range. 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.

■ Expenditure on R&D for the year ended 31st March, 2010

Particulars	(Rs. in lacs)
Capital Expenditure	23.22
Revenue Expenditure	297.30
Total	320.52
Total R & D Expenditure as a % of turnover	2.70

❖ EXPORT INCENTIVES AND PLANS

The Company has plans to expand its operations to SAARC country areas and avail appropriate export incentives.

❖ FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign exchange worth Rs.44.19 Crores. Foreign exchange earnings was Rs. 2.87 lakhs.

❖ DIRECTORS

Mr. K Jayabharath Reddy and Mr. Suraj L Mehta, Directors, retire by rotation, at the ensuing Annual General Meeting and are eligible for re-appointment.

Annexure to Directors' Report

❖ 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 hard work of the employee 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
27th July, 2010

Ajit G Nambiar
Chairman & Managing Director

❖ ADDENDUM TO DIRECTORS' REPORT

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 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.

The Company has since remitted dues mentioned above and there are no dues as on 31st March, 2010.

2. Point No. 9 (b) of Annexure to the Auditors' Report

Undisputed amounts payable in respect of customs duty amounting to Rs. 499.70 Lakhs, was outstanding as at 31st March, 2010, for a period of more than six months from the dates on which they became payable.

Arrangements are being made to settle the dues.

For and on behalf of the Board of Directors

Bangalore
27th July, 2010

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, 2010.

Sl. No.	Name	Designation	Qualification	Gross Remuneration (Rs.)	Age (in yrs)	Experience (in yrs)	Date of Commencement of Employment	Previous Employment / Position held
1.	Mr. Ajit G Nambiar	Chairman & Managing Director	BS in Computer Engg. Technology, Boston University, USA	65,13,600/-	47	25	02.12.1993	Managing Director Electronic Research Pvt. Ltd.
2.	Mr. A Vijaya Simha	Chief Operating Officer	M.Sc (Tech), MMS, PGD	32,16,276/-	54	29	15.05.2006	CEO-Europe and America Unisant, S.A, Switzerland
3.	Mr. M V Ramdas*	Sr. VP-Projects	BE(Mech), MBA	23,63,280/-	51	26	01.04.2006	VP & CFO - BPL Power Projects (AP) Pvt. Ltd.
4.	Mr. S Varadarajan	GM-Corporate Accounts	B.Sc., FCA, DISA	25,38,769/-	58	33	07.11.1984	Manager - Accts & Admin. Malabar Spinning & Weaving Mills Ltd.
5.	Mr. A M Saleem*	Director - Corporate Planning	B.Com., CA (Inter)	20,42,347/-	59	34	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.

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

For and on behalf of the Board

Bangalore
27th July, 2010

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, 2010, 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 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
27th May, 2010

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, 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 during Directorship	No. of Board Meetings attended	Last AGM attendance Yes/No	Directorship in other Companies	Committee Member	Committee Chairman
Mr. Ajit G Nambiar	Promoter - Executive	6	6	Yes	19	-	-
Mrs. Anju Chandrasekhar	Promoter - Non-executive	6	6	No	11	1	-
Mr. S Padmakumar	Independent - Non-executive	6	3	No	7	6	4
Mr. K S Prasad	Independent - Non-executive	6	6	No	-	-	1
Capt. S Prabhala	Independent - Non-executive	6	6	No	5	-	2
Mr. K Jayabharath Reddy	Independent - Non-executive	6	6	Yes	8	3	2
Mr. Suraj L Mehta	Independent - Non-executive	6	2	Yes	2	1	-
Mr. Subhash Bathe	Independent - Non-executive	6	5	Yes	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.

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

Six Board Meetings were held during the period. The meetings were held on the following dates: 15th May 2009, 29th July 2009, 25th August 2009, 30th October 2009, 28th January 2010 and 26th March, 2010.