



Happier Living Everyday

BPL Limited
ANNUAL REPORT 2010 - 2011

Annual Report 2010 - 2011

Corporate Information

BOARD OF DIRECTORS

Mr. Ajit G Nambiar, *Chairman & Managing Director*

Mrs. Anju Chandrasekhar

Mr. S Padmakumar, *upto 9.11.2010*

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, *upto 9.11.2010*

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, *upto 9.11.2010*

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 47th Annual General Meeting of BPL Limited, will be held on **Wednesday**, the **27th day of July, 2011** 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, 2011 and the Balance Sheet as at that date together with Report of Directors and the Auditors thereon.
- 2) To confirm payment of interim dividend on Preference Shares
- 3) To appoint a Director in place of Mr. Subhash Bathe, who retires by rotation, and being eligible, offers himself for re-election.
- 4) To appoint a Director in place of Mrs. Anju Chandrasekhar, who retires by rotation, and being eligible, offers herself for re-election.
- 5) 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
27th May, 2011

R Vijayendra
Company Secretary

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 20th July, 2011 to

27th July, 2011 (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 provisions 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, Annual Report etc., to the Investors' Service Cell at 11th KM, Arakere, Bannerghatta Road, Bangalore - 560 076.
7. Interim dividend of Rs. 0.001 per share has been declared on the preference share as per the terms of the issue covered by the approved Scheme of Arrangement.
8. The Ministry of Corporate Affairs (vide circular No.17/2011 and 18/2011 dated April, 21 and April, 29, 2011 respectively) has undertaken a Green Initiative in corporate Governance and allowed companies to send documents with it's shareholders through an electronic mode. Members are requested to support this green initiative by registering /updating their e-mail IDs as follows:
 - a) If you are holding shares of in demat form register/update your e-mail ID with the depository participant with whom you are maintaining your demat account.
 - b) If you are holding shares of in physical form, register/update your e mail ID with us or with our Registrar and Transfer Agent i.e. Karvy computershare Private Limited.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom demat accounts are maintained. Members holding shares in physical form

Annexure to Notice

can submit their PAN details either to the company or to company's Registrar & Share Transfer Agent Viz. Karvy Computershare Private Limited, Hyderabad.

By Order of the Board

Bangalore
27th May, 2011

R Vijayendra
Company Secretary

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

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

MR. SUBHASH BATHE

Mr. Subhash Bathe, 50, is a Chartered Accountant with post graduate qualifications in Law and Business Administration. He is Business Consultant providing Strategy, Management and Legal & Financial Advisory to businesses in diverse verticals, with a proven record of providing roadmap for business growth, turnarounds, acquisitions and entry into new verticals.

Mr. Bathe has served on the Board and Audit Committees of several companies in diverse fields such as cement, electronics, engineering, textiles, consumer products, in both public and private sectors with companies such as Ambuja Cement Eastern Ltd (now Holcim India Ltd) and Karnataka Soaps & Detergents Ltd (a public sector company). He has served as Nominee Director of BIFR, Ministry of Finance, Government of India.

In addition to being on the Board of BPL Limited and a member of the Audit, Strategy & Operation Review and

Compensation Committees of BPL Limited, Mr. Bathe is currently on the Board of Penta Consulting Private Limited and Suvi Aviation Private Limited.

MRS. ANJU CHANDRASEKHAR

Mrs. Anju Chandrasekhar, 44, is a Graduate in Commerce and holds an MBA from Boston University, USA. Mrs. Chandrasekhar has been associated with BPL for over two decades.

Currently, she is the Director - Corporate Affairs of BPL Limited heading the HR, Legal, Administration and Secretarial functions. Mrs. Chandrasekhar has spearheaded the company's thrust in latest concepts and methods in Human Resources Development at all levels. Additionally, she is also the Managing Director of Dynamic Electronics Private Limited.

Name of the companies in which Mrs. Anju Chandrasekhar is Director is furnished below:

1. Electro Investment Private Limited
2. Nambiar International Investment Company Private Limited
3. PanIndia Telecommunications Network Private Limited
4. E R Computers Private Limited
5. Stallion Computers Private Limited
6. Virtual Properties & Estates Private Limited
7. BPL Techno Vision Private Limited
8. Electronic Research Private Limited
9. Dynamic Electronics Private Limited
10. Anan Properties & Finance Company Private Limited

Mrs. Anju Chandrasekhar is a member of the Investors' Relation and Compensation Committees 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 2010-2011	No. of Board Meetings attended	Last AGM Attendance (Yes/No)	No. of Shares held
Mr. Subhash Bathe	4	4	Yes	Nil
Mrs. Anju Chandrasekhar	4	3	No	74,600

By Order of the Board

Bangalore
27th May, 2011

R Vijayendra
Company Secretary

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

Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the Forty Seventh Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2011. The financial highlights on the operations of the Company are as follows:

Financial Highlights

(₹ in crores)

Particulars	Year ended	
	31.03.2011	31.03.2010
Net Sales and other income	229.67	118.50
Profit before Interest, Depreciation and Tax	133.31	30.77
Less: Interest	10.45	13.34
Depreciation	7.97	10.82
Impairment Loss on Asset	13.39	3.11
Provision for Diminution in value of investments	-	-
Provision for doubtful advances/ debts	0.15	0.36
Extra-ordinary items (net)	22.86	3.76
Profit / (Loss) before Tax	78.49	(0.62)
Deferred Tax Asset	(0.76)	0.95
Profit / (Loss) after Tax	77.73	0.33

❖ BUSINESS OVERVIEW

The operations of your Company continued to be affected due to working capital constraints and lack of bank funding. The cost cutting exercises and strict funds management led your Company to register growth in operations of 11.21% compared to the previous year.

The total income recorded was ₹ 231.85 Crores for the year 2010-11 compared to ₹ 120.06 Crores for the previous year. The gross profit earned for the year is ₹ 133.30 Crores. After providing ₹ 7.97 Crores, ₹10.45 Crores and ₹ 13.38 Crores towards depreciation, finance charges and for impairment of assets respectively, your Company has earned a profit (before provisions & taxation) of ₹ 101.50 Crores for the year 2010-11, resulting in decrease in the loss on the Balance Sheet.

Dividend

Your Directors, regret their inability to recommend any dividend on equity shares of the Company since your Company has accumulated losses on the Balance Sheet.

However, your Board has approved payment of dividend on preference shares at ₹ 0.001 per share of ₹ 100/- each, amounting to ₹ 16,959/- as per the terms of the issue covered by the approved Scheme of Arrangement.

❖ HEALTH MANAGEMENT SOLUTIONS (HMS)

Industry structure & developments

Health Care Industry consists of health care facilities, medical devices, diagnostic centers and medical insurance, emergency care, specialist medical care and medical tourism. It is one of India's largest business sectors in terms of revenue and employment, which contributes about 5% of the GDP.

The Medical Devices division, in which your company presently operates, is poised for record growth due to increasing awareness and affordability coupled with an increasing patient pool. Growth in other divisions of the Health Care industry

will also create growth opportunity for your Company and contribution of diagnostic equipment category would be significant.

Despite the working capital constraints faced, the Medical Devices business of your Company registered a healthy growth of 18 percent in terms of net sales during 2010-11 compared to its previous year. Earnings before interest and tax, as a percentage (EBITA) of net sales was 56%, in addition to improvement in working capital cycles and reduction in receivable-days.

■ Opportunities and Threats

Indian Health Care Industry is expected to grow at a faster rate, as substantial investments have been planned in this sector. Strong growth is expected from smaller cities and towns and calls for an effective Distribution and Service infrastructure.

During the year, the Company launched some frontline diagnostic products in the market. This is expected to improve the revenues for the Company in the coming years. In addition, the neighbouring countries offer market opportunities for the business.

BPL today offers a comprehensive range of products for General Practice, Cardiology, Patient Monitoring, Emergency, Imaging, Women & Child Care, Eye & ENT applications. The range of products include the Stethoscope, ECG, Defibrillator, Holter, Stress Test system, Patient monitors, Foetal & Maternal monitor, Otoscope, Ophthalmoscope, Mercury-free aneroid & thermometer, Ultrasound, X-ray and C-ARM.

During the year 2010-11, BPL launched 10 new products covering ECG, Patient Monitoring, Defibrillator and Women & Child Care areas. The Healthcare Business continued to strengthen its sales of "Mercury-Free" blood pressure measuring devices. Development of four new products viz. multi Channel ECG, Public Access Defibrillators,

Directors' Report and Management Discussion & Analysis

7" Patient Monitor and Biphasic Defibrillator with AED has been initiated. These are expected to be released and marketed during 2011-12.

The pace of technology change in the product range of BPL is a key risk area and therefore investments in product development have been planned in the coming years in order to mitigate the threat of obsolescence. Your Company is confident of maintaining its market share with its state of art technology, efficient operations, superior customer service.

■ Outlook

While your Company started modest export of products in the current year, it will continue to broaden customer base by enhancing business development activities with our well-established network of distributors and dealers in hospital chains, and through partnership with the Governments.

During the year, your Company has been re-certified for ISO13485:2003 and ISO9001:2008. It intends to expand the number of products covered under CB & CE certifications, thus making them conform to international quality standards.

The Health Care Management Business has embarked on a product development plan as a long-term strategic plan to establish in the niche areas of the Indian and Global Healthcare Industry.

❖ PRINTED CIRCUITS BOARD (PCB) BUSINESS

The PCB Industry consists of single sided PCBs and double sided or multi layer PCBs. The market for single sided PCBs comes from Colour Television (CTV) segment, consumer electronics, basic telecom equipments, low-end power conversion and the lighting industry. There was no growth in the single sided PCB industry during 2010-11 due to decline in the CTV business. Further, low-cost Chinese imports were able to capture 65% of the market for single sided PCBs.

However, the demand from CFL/LED lighting, power conversion and automotive industries is growing and the Company has plans to capture these growing markets and has planned to achieve 10% growth.

❖ RISKS AND CONCERN

As with Indian industry in general, your Company is exposed to risks such as technology obsolescence, high interest rates, competition from low-cost imports and strong presence of multinational companies in the market. In addition, the Company also has concerns such as shortage of funds and attrition of talent. However, these risks and concerns are being addressed on a continuous basis.

❖ INTERNAL CONTROL AND THEIR ADEQUACY

The Company has appropriate and adequate internal control systems and checks, which ensure that all assets are safeguarded and that all transactions are authorized, recorded and reported fully and correctly.

The Internal control systems are supplemented by extensive programme of internal audit conducted by external qualified Chartered Accountants.

The Company has also put in place effective Budgetary Systems.

❖ FINANCIAL PERFORMANCE AND ANALYSIS

■ Share Capital

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, 2011 was ₹ 48.51 Crores comprising 4,85,10,244 equity shares of ₹ 10/- each, fully paid up. The paid up Preference Share Capital of the Company as on 31st March, 2011 was ₹ 169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of ₹100/- each.

■ Reserves & Surplus

There was no change in the Reserves of the Company during the year 2010-11 and it stood at ₹ 236.94 Crores. However, the accumulated losses on the balance sheet have decreased from ₹ 216.86 Crores to ₹ 139.14 Crores.

■ Borrowings

Total borrowings of the Company as on 31st March, 2011 stood at ₹ 118.47 Crores.

■ Capital Expenditure

The capital expenditure of the company for the financial year ended 31st March, 2011 was ₹ 0.45 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

Participation of employees at all levels, which give them impetus to perform, was focused during the year. Best performing employees of the Company were rewarded for their contributions. Incentives systems were also re-structured and strengthened to bring in effective performance linked compensation.

Talent attraction and retention was set in motion during the year. Employee Training programmes were conducted to help the employee to improve their performance levels.

■ EMPLOYEES STOCK OPTION SCHEME

An employee stock option scheme called "BPL Limited-ESOS-2009" was implemented during the year. The Compensation Committee granted 5,17,739 Stock Options to the eligible directors and employees of the Company on 9th November, 2010.

The information to be disclosed as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has been provided as Annexure to this Report.

■ SAFETY, HEALTH AND ENVIRONMENT

Employee welfare activities like free medical check up, guest lectures on health concerns were also organized during the year.

The Company had 401 employees as on March 31, 2011.

Directors' Report and Management Discussion & Analysis

❖ 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, 2011, 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, 2011, on a 'going concern' basis.

❖ PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

❖ SUBSIDIARY COMPANIES

Earlier your Company had three subsidiary Companies namely BPL Securities Private Limited, BPL Display Devices Limited and Bharat Energy Ventures Limited.

BPL Securities Private Limited was not carrying on business and this Company has made an application under the Easy Exit Scheme- 2011 announced by the Ministry of Corporate Affairs, Government of India. The Company has applied for its name struck off under Section 560 of the Companies Act, 1956 under the said Scheme. Further, BPL Display Devices Limited was ordered to be wound up under the orders of the Honorable High Court of Allahabad on 17th October, 2008. Hence, the accounts of BPL Securities Private Limited and BPL Display Devices Limited have not been provided as required by Section 212 of the Companies Act, 1956.

Your Company has resolved to utilize the general exemption granted by The Ministry of Corporate Affairs, Government of India vide its General circular No. 2/ 2011 dated 8th February, 2011 from attaching the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors Report and other related documents of subsidiary companies and accordingly, the said documents of Bharat Energy Ventures Limited, a subsidiary of your Company are not attached to the Balance Sheet of your Company. However, requirements which your Company is required to meet under the said Circular, will be complied with.

Your company undertakes that the annual accounts and the related detailed information of your Company's subsidiary Bharat Energy Ventures Limited (BEVL) will be made available to the shareholders of the Company and BEVL, who seek such information at any point of time. The annual accounts of

BEVL will also be kept for inspection by any shareholders in the head office of your Company and of BEVL.

❖ 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 include Water Recycling, Waste Recycling, Solder Fumes Control and Power Factor Improvement. Your company launched the eco-friendly "LED examination light" in the current year and products using "Lithium-ion" batteries.

❖ TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Continuous efforts are made for developing new technologies and to innovate products for affordable healthcare. A number of products that were "connectivity-friendly" were upgraded during the year and have been introduced into the market. New products to cater to the specific local needs have also been developed by BPL jointly with local Governments and NGOs.

In the coming year, your Company will be launching a Biphasic and Public Access Defibrillator under technology license from Corscience GmbH. An entry level Biphasic Defibrillator was launched through the said collaborator and this has recorded a good growth during the year.

In the current year, your Company made foray into diagnostic imaging with the launch of a range of conventional x-ray products. In the coming year, your Company will expand its presence in this space with high frequency technology products that would release lower levels of radiations.

❖ RESEARCH AND DEVELOPMENT (R & D)

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

The Healthcare Management Solutions Business focuses on frontline care. It has focused on in-house development of ECG, defibrillator and patient monitoring products in the primary care area. These products incorporate state of the art technologies and also are built to perform under the rigorous conditions of rural India. In the current year, a Bluetooth based ECG acquisition module for use with Treadmill test systems was introduced; the popular one parameter monitor was upgraded to three parameters and monochrome monitor is being upgraded to colour monitors. In the coming years, your Company plans to enter the high end spectrum of ECG & defibrillator devices with an in-house developed A4 ECG system and Biphasic defibrillator with AED facility, which are dominated by multinational companies.

■ Future Plans of Action

In line with the Product development road map and to put the Healthcare Management Solutions Business on a fast track

Annexure to Directors' Report

and to strengthen and improve its products portfolio, BPL HMS will continue to collaborate with global technology companies in order to bring appropriate technologies. These products will drive the cost of healthcare down by promoting early stage diagnosis. To offer affordable solutions to the medical fraternity, your Company would continue to enhance its customer reach and service capabilities at the front end while becoming operationally more effective.

■ R&D Expenditure

The Capital and Revenue Expenditure on R&D during the year amounted to ₹ 1.14 lakhs & ₹ 98.86 lakhs respectively, which is 0.44% of the turnover.

❖ EXPORT INCENTIVES AND PLANS

During the year under review, your Company made a formal entry into neighbouring countries in the health care market and your Company has plans to avail export incentives available under SAARC agreements.

❖ FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign exchange worth ₹ 45.25 Crores. Foreign exchange earning was ₹ 0.64 Crores.

❖ DIRECTORS

Mrs. Anju Chandrasekhar and Mr. Subhash Bathe, Directors, retire by rotation, at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. S Padmakumar resigned as Director of the Company with effect from 9th November, 2010.

❖ 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 employees at all levels. The Board also acknowledges continued co-operation received from Dealers, Suppliers, Customers, Banks, Government Departments, Financial Institutions and Shareholders.

For and on behalf of the Board of Directors

Bangalore
27th May, 2011

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, and Employees' State Insurance, Sales Tax Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

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

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

Undisputed amounts payable in respect of customs duty amounting to ₹ 498.44 Lakhs was outstanding as at 31st March, 2011, 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 May, 2011

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, 2011.

Sl. No.	Name	Designation	Qualification	Gross Remuneration (₹)	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	71,55,200/-	48	26	02.12.1993	Managing Director Electronic Research Pvt. Ltd.

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 Mrs. Anju Chandrasekhar, Director, and hold more than two percent of the equity shares of the Company

For and on behalf of the Board

Bangalore
27th May, 2011

Ajit G Nambiar
Chairman & Managing Director

Annexure to Directors' Report

Disclosure pursuant to Clause 12.1 of SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as on 31st March, 2011

The Company had introduced Employee Stock Option Scheme (viz. BPL Limited -ESOS -2009) for its employees. The details of options granted during 2010-11 and the disclosures are as under:

SL No.	Particulars	Remarks	
(a)	Options granted	5,17,739	
(b)	The 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 Options were granted at an exercise price of ₹ 10/- each.	
(c)	Options vested	NIL	
(d)	Options exercised	NIL	
(e)	The total number of shares arising as a result of exercise of options	5,17,739	
(f)	Options lapsed	16,735	
(g)	Variation of terms of Options	NIL	
(h)	Money realized by exercise of options	Not Applicable	
(i)	Total Number of Options in force	5,01,004	
(j)	Employee wise details of options granted to		
	i)senior managerial personnel	Mr. Manoj U Nambiar, Mr. K Gopi and Mr.Shashi Nambiar	
	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Mr. S Hariharan, Mr.K Vishwanath, Mr.P D Sridhara and Mr.Shailesh Mudaliar	
	iii) identified employees who were granted option, during any one year, equal to or exceeding1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL	
(k)	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting standard (AS) 20 “ Earnings Per share’	Not Applicable, since none of the Options vested during 2010-11.	
(l)	Difference, if any, between employee compensation cost (calculated using intrinsic value of stock options) and the employee compensation cost (calculated on the basis of fair value of the options). The impact of this difference on profits and the on EPS of the company.	Not Applicable	
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	weighted-average fair values of options Not Applicable	Weighted-average exercise prices Not Applicable
(n)	Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: i) risk-free interest rate. ii) expected life iii)expected volatility iv) expected dividends, and v) the price of the underlying share in market at the time of option grant.	Not Applicable	

A certificate received by the Company from the Statutory Auditors - M/s T Velu Pillai & Co., Chartered Accountants, Bangalore, to the effect that the Stock Option Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders, will be placed before the Annual General Meeting and a copy of the same shall be available for inspection by the Members at the Registered Office of the Company on all working days up to the date of the ensuing Annual General Meeting.

For and on behalf of the Board

Bangalore
27th May, 2011

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, 2011, 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, 2011

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

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

2. Board of Directors

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

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

Name of the Director	Category	Attendance			Other Directorships/ Committee Memberships*		
		No. of Board Meetings 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	4	4	Yes	18	-	-
Mrs. Anju Chandrasekhar	Promoter - Non-executive	4	3	No	10	1	-
Mr. S Padmakumar**	Independent - Non-executive	2	-	No	7	6	4
Mr. K S Prasad	Independent - Non-executive	4	3	Yes	-	-	1
Capt. S Prabhala	Independent - Non-executive	4	3	Yes	5	-	2
Mr. K Jayabharath Reddy	Independent - Non-executive	4	4	Yes	7	2	2
Mr. Suraj L Mehta	Independent - Non-executive	4	3	No	2	1	-
Mr. Subhash Bathe	Independent - Non-executive	4	4	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. ** Mr. S Padmakumar ceased to be Director w.e.f. 9th November, 2010.

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

Four Board Meetings were held during 2010-11. The meetings were held on the following dates: 27th May 2010, 27th July 2010, 9th November, 2010 and 9th February, 2011.