



Happier Living Everyday

**Annual**  
Report 2011 - 2012

**BPL Limited**  
ANNUAL REPORT 2011 - 2012

# Corporate Information

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## BOARD OF DIRECTORS

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

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Srinath Maniyal M

## REGISTERED OFFICE

BPL Works, Palakkad 678007, Kerala

## CORPORATE OFFICE

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

## MANUFACTURING FACILITIES

BPL Works, Palakkad 678 007, Kerala

Doddaballapur 561 203, Bangalore District

## AUDITORS

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

## BOARD COMMITTEES

### Audit Committee

Mr. K Jayabharath Reddy, *Chairman*  
Mr. Subhash Bathe, *Vice-Chairman*  
Mr. Suraj L Mehta

### 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

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# Notice of Annual General Meeting

NOTICE is hereby given that the 48th Annual General Meeting of BPL Limited, will be held on **Wednesday, the 12<sup>th</sup> day of September, 2012** at **10.00 A.M.** at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala, to transact the following businesses:

## ORDINARY BUSINESS

- 1) To consider and adopt the Statement of Profit & Loss for the year ended 31st March, 2012 and the Balance Sheet as at that date together with Report of Directors and the Auditors thereon.
- 2) To declare Dividend on Preference Shares.
- 3) To appoint a Director in place of Capt. S Prabhala, who retires by rotation, and being eligible, offers himself, for re-election.
- 4) To appoint a Director in place of Mr. KS Prasad, who retires by rotation, and being eligible, offers himself, 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.

## SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

*RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise invest in the equity and / or by redeemable cumulative preference share capital of BPL Telecom Private Limited not exceeding an aggregate amount of ₹ 40 Crores (Rupees Forty Crores only).*

*RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do or cause to be done, all such acts, deeds and things as they may think necessary or expedient for the purpose of giving effect to this resolution and to settle all questions and matters arising out of and incidental to the proposed investment.*

- 7) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

*RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to and/or acquire by way of subscription, purchase or otherwise invest in the equity share capital of the proposed Wholly Owned Subsidiary (WOS) of the Company to be formed, not exceeding an amount of ₹ 5 lakhs (Rupees Five Lakhs only).*

*RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do or cause to be done, all such acts, deeds and things as they may think necessary or expedient for the purpose of giving effect to this resolution and to settle all questions and matters arising out of and incidental to the proposed investment.*

- 8) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

*RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to and/or acquire by way of subscription, purchase or otherwise invest in the equity share capital of BPL Techno Vision Private Limited not exceeding an amount of ₹ 10 Crores (Rupees Ten Crores only).*

*RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do or cause to be done, all such acts, deeds and things as they may think necessary or expedient for the purpose of giving effect to this resolution*

*and to settle all questions and matters arising out of and incidental to the proposed investment.]*

By Order of the Board

Bangalore  
13<sup>th</sup> August, 2012

**Srinath Maniyal M**  
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 5<sup>th</sup> September, 2012 to 12<sup>th</sup> September, 2012 (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. Dividend of ₹ 0.001 per share has been recommended on the Preference Shares as per the terms of the issue covered by the approved Scheme of Arrangement.
7. 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 to its 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 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 in physical form, register/ update your e-mail ID with us or with our Registrar and Transfer Agent i.e. Karvy Computershare Private Limited, Hyderabad.
8. 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 can submit their PAN details either to the company or to company's Registrar & Share Transfer Agent i.e. Karvy Computershare Private Limited, Hyderabad.
9. 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.

By Order of the Board

Bangalore  
13<sup>th</sup> August, 2012

**Srinath Maniyal M**  
Company Secretary

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

# Annexure to Notice

## 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 businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### ITEM NO. 6

BPL Telecom Private Limited is engaged in the field of manufacturing Power Line Carrier Communication Terminals, Wave Traps, Protection and Outdoor Couplers, EPABXs, Push Button Telephones etc.

In order to expand business interests, reap the benefits of higher turnover by consolidating, explore potential growth and other benefits, your Company has proposed to make an additional investment aggregating to a sum not exceeding ₹ 40 Crores in the Equity and / or Redeemable Cumulative Preference Share Capital of BPL Telecom Private Limited, as part of re-organization business plans. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Except Mr. Ajit G Nambiar and Capt. S Prabhala, no other Director is concerned or interested in the Resolution.

#### ITEM NO. 7

Your Company intends to enter into a real estate business through a Wholly Owned Subsidiary to be formed and accordingly, has proposed to promote a Wholly Owned Subsidiary (WOS) of the Company for this purpose. Your Board of Directors propose to invest in the proposed WOS company up to 100% of the issued and paid up equity share capital of the WOS not exceeding an amount of ₹ 5 lakhs (Rupees Five Lakhs only)). The benefits of the proposed investment will flow back to the Company.

The WOS would allot 50,000 equity shares of ₹ 10/-each, at par, constituting 100% of its issued and paid up equity to the Company. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

In the opinion of the Directors, it is in the interest of the Company that the investment in the Wholly Owned Subsidiary Company (WOS) be made as proposed above.

Your Directors recommend the resolution for your approval.

None of Directors is concerned or interested in the Resolution.

#### ITEM NO. 8

BPL Techno Vision Private Limited is engaged in the field of manufacturing products in Consumer lighting, UPS and Inverters and Smart Home Solutions.

In order to expand the business interests, reap the benefits of higher turnover by consolidating, explore potential growth and other benefits, your Company has proposed to make an additional investment of ₹ 10 Crores in the Equity Share Capital of BPL Techno Vision Private Limited. The investments will be sourced partly out of internal accruals or private equity investor or partly out of disposing of Company's non-core assets.

Pursuant to the provisions of Section 372A of the Companies Act, 1956, prior approval of shareholders by way of a special resolution is required since the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Except Mr. Ajit G Nambiar and Mrs. Anju Chandrasekhar, no other Director is concerned or interested in the Resolution.

### Information on Directors' seeking appointment/re-appointment at the Annual General Meeting

#### CAPT. S PRABHALA

Capt. S Prabhala, about 79 years old, is a graduate in Electrical Engineering, started his career with the Indian Navy and served for two decades during which he held several key positions. After an early retirement from Indian Navy, Capt. Prabhala joined Bharat Electronics Limited and served the company for over 16 years and was its Chairman & Managing Director when he retired in 1991. He joined the BPL Group in 1991 and has been associated with the group, in various capacities. Till some time ago, he headed Spectrum Infotech Private Limited, a company promoted by him for R&D in Electronics. Capt. Prabhala is also associated with voluntary agencies involved in environment improvement and ecology.

He is a member of the Board of Governors of Centre for Organisation Development, Hyderabad and Senior Member, Institution of Electrical & Electronic Engineers, USA. He carries with him rich experience in the management of industrial enterprises.

Capt. S Prabhala is currently on the Board of several other companies in addition to BPL Limited.

*Name of the companies in which Capt. S Prabhala is Director is furnished below:*

1. BPL Telecom Private Limited 2. BPL Power Projects (AP) Private Limited 3. BPL Engineering Limited 4. Rapsri Engineering Limited 5. Bharat Energy Ventures Limited

Capt. S Prabhala is Member of the Finance Committee, Chairman of Compensation Committee and Strategy & Operations Review Committee of BPL Limited and Chairman of Finance, Audit, Remuneration and Investors' Relation Committees of BPL Engineering Limited.

#### MR. KS PRASAD

Mr. KS Prasad, 78, 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. KS Prasad is the Chairman of Investors' Relation 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 2011-2012	No. of Board Meetings attended	Last AGM attendance (Yes/No)	No. of Shares held
Capt. S Prabhala	4	4	Yes	12,000
Mr. K S Prasad	4	3	No	3,38,813

Bangalore  
13<sup>th</sup> August, 2012

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

By Order of the Board

Srinath Maniyal M  
Company Secretary

# Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012. The financial highlights on the operations of the Company are as follows:

## ◆ FINANCIAL HIGHLIGHTS

(₹ in crores)

Particulars	Year ended	
	31.03.2012	31.03.2011
Net Sales and other income	153.10	229.98
Profit before Interest, Depreciation and Tax	65.54	133.31
<b>Less:</b> Interest	3.66	10.45
Depreciation	7.85	7.97
Impairment Loss on Asset	-	13.39
Provision for doubtful advances/ debts	0.28	0.15
Extra-ordinary items (net)	2.01	22.86
Profit / (Loss) before Tax	51.74	78.49
Deferred Tax Asset	8.95	(0.76)
Profit / (Loss) after Tax	60.69	77.73

## ◆ BUSINESS OVERVIEW

Despite a challenging and volatile economic environment and continuing depreciation of the rupee, your Company ended with a total income of ₹ 153.10 Crores for the year 2011-12 compared to ₹ 229.98 Crores for the previous year. The gross profit earned for the year is ₹ 65.54 Crores. After providing ₹ 7.85 Crores and ₹ 3.66 Crores towards depreciation and finance charges respectively, your Company has earned a profit (before provisions & taxation) of ₹ 54.03 Crores for the year 2011-12. The operations of the Company though, continued to be affected due to working capital constraints and lack of bank funding.

Your Company has received the **2011 Frost and Sullivan - Best Practices Award for Market Share Leadership in Value Segment of ECG Monitors**. Frost and Sullivan, a globally reputed consulting organization had recently published its market research service on "Overview of Indian ECG Equipment Market in India", based on primary and secondary research.

As per Frost and Sullivan, BPL Limited offers one of the widest and best line of products in the value segment of ECG monitors at a competitive price, and has said that the Company's in-house R&D has the ability to customize their products according to the varying needs of the customers. This makes BPL unique among its competitors. In addition, BPL's excellent after-sales service back up enables to provide one of the quickest up-time and in-service time (i.e. response time) which has paid off in setting up a strong and loyal customer base. Thus, BPL's focus on patient care with its reliable and affordable products has significantly contributed to the growth and made it a one-stop solution provider in the value segment of ECG monitor.

### ◆ Dividend

Your Directors regret their inability to recommend any dividend on equity shares of the Company since your Company has

accumulated losses on the Balance Sheet and need to fund the business activities.

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

## ◆ HEALTH MANAGEMENT SOLUTIONS (HMS)

### ◆ Industry structure & developments

As India's population grows and its middle class expands, the country faces a huge social and fiscal challenge - how to provide high quality affordable healthcare to over 1.2 billion people? The Government of India is working to meet several key strategic goals like, health as a right for all citizens, universal health coverage, accessible, affordable and accountable quality health services, convergence and development of public health systems and services that are responsive to the health needs and aspirations of the people and reducing disparities in health across regions and communities by ensuring access to affordable health care. The Government's decision to make major investments in the expansion of its healthcare infrastructure is an important step in this journey.

The 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.

The Union Budget 2012-13 has seen the excise duty increased by one percent and countervailing duty by two percent. There has been an increase in service tax from 10 percent to 12 percent, increasing the cost of installation, maintenance, and spare parts. For the common man, government initiatives like exempting ₹ 5000/- spent for preventive health check-ups from tax, healthcare

# Directors' Report and Management Discussion & Analysis

being excluded from service tax, increased funding for National Rural Health Mission, the announcement of National Urban Health Mission, and additional allocation for National Skill Development Council will certainly widen healthcare coverage and ensure better medical facilities.

## ◆ Opportunities and Threats

The Indian Health Care Industry is expected to grow at a steady rate, as substantial investments have been planned on healthcare delivery. Strong growth is expected from smaller cities and towns and calls for an effective Distribution and Service infrastructure.

In order to offer affordable solutions for changing healthcare demands, your Company launched a few frontline diagnostic products in the market. BPL launched 4 new products covering Patient Monitoring and Defibrillator segments viz. Defibrillator with Automated External Defibrillation (AED) facility, Public Access defibrillator, 8.4" display multi-parameter Patient Monitor and Infusion Pump. This is expected to improve the revenues for the Company in the coming years. In addition, the neighboring countries offer market opportunities for the business.

Today, BPL offers products in the areas of Cardio-pulmonary, Patient Monitoring, Imaging, Women and Child Care. The range of products include ECG, Defibrillator, Cardiac Analyzer, Stress Test System, Patient Monitor, Fetal & Maternal Monitor, Infusion Pump, Ultrasound and X-Ray.

## ◆ Risks & Concerns

Engineering initiatives and R&D have become increasingly important in order to mitigate the threat of obsolescence, falling prices and imports. Your Company has therefore planned significant investments in product development and is confident of maintaining its market share with competitive products, efficient operations and superior customer service.

Multi-national companies have expanded their presence from the premium segment of devices into the value segment. Entry of new players in the traded ECG and Patient monitoring market have increased the competition in these segments. The companies are investing on increasing their reach through dealerships.

Depreciation of rupee has made imports expensive.

## ◆ Outlook

While your Company made a modest export of products during the period under review, it will continue to broaden customer base by strengthening the well-established network of distributors and dealers.

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

The Health Care Management Business of your Company has institutionalized the Sales CRM package to enhance Sales force effectiveness and be online with the dynamics of the market. In the coming year, Service delivery would be the focus.

Several marketing activities were implemented to double your

Company's participation in customer events and to enhance the digital footprint. This is in addition to advertisements in healthcare print media, using Frost & Sullivan Award as a platform to enhance the brand perception and communication with the field team and dealer network.

## ◆ PRINTED CIRCUITS BOARD (PCB) BUSINESS

The PCB Industry consist of single sided, double sided and multi layer PCBs. The single sided PCBs caters to Lighting Segment both in CFL and LED lighting, consumer electronics, basic telecom equipments, low-end power conversion and auto electronics industry. There was small growth in the single sided PCB industry during 2011-12 due to increased demand in CFL lighting. Further, auto electronics demand is increasing month on month for LED lighting.

Your company's PCB unit is manufacturing only single sided PCBs. The unit has commenced trading of double sided & multi layer PCBs and is expected to increase this by 15% in the coming year.

In spite of US Dollar appreciation against rupee and abnormal price fluctuations in petroleum products, which are being used for laminate manufacturing, your company was able to sustain & achieve reasonable sales in PCB business.

## ◆ RISKS AND CONCERN

The profit margins diminished to some extent due to rupee devaluation, in addition to fluctuation in petroleum products prices and copper in the international market, which has directly affected the laminate prices.

## ◆ INTERNAL CONTROL AND THEIR ADEQUACY

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

The internal control systems are supplemented by extensive programme of internal audit conducted by an external qualified Chartered Accountants. The Company has also put in place effective Budgetary Systems.

## ◆ FINANCIAL PERFORMANCE AND ANALYSIS

### ◆ Share Capital

During the year, your company issued 1,59,937 new equity shares to the eligible employees and directors who have exercised the vested options under Employees Stock Option Scheme- BPL ESOS -2009. Accordingly, the paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2012 stood at ₹ 48.67 Crores comprising 4,86,70,181 equity shares of ₹ 10/- each, fully paid up. The paid up Preference Share Capital of the Company as on 31<sup>st</sup> March, 2012 was ₹169.59 Crores consisting of 1,69,58,682 Redeemable Preference Shares of ₹100/- each.

### ◆ Reserves & Surplus

The Reserves of the Company after adjusting surplus during the year 2011-12 stood at ₹ 159.39 Crores.

### ◆ Borrowings

Total borrowings of the Company as on 31<sup>st</sup> March, 2012 stood at ₹ 25 Crores.

# Directors' Report and Management Discussion & Analysis

## ⇧ Capital Expenditure

The capital expenditure of the company for the financial year ended 31<sup>st</sup> March, 2012 was ₹ 0.25 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 the release of the White Book, a guide to all employees on policies and procedures to help them perform at their optimum. Focused employee communication imbuing mission, vision and values were also undertaken through sustained employee engagement activities. Impetus was also given on developmental activities.

## ◆ EMPLOYEES STOCK OPTION SCHEME

During the period under review, 1,59,937 options were exercised and accordingly, equity shares were allotted to the option grantees under the Employees Stock Option Scheme called "BPL Limited-ESOS-2009

The information to be disclosed as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is annexed to this Report.

## ◆ SAFETY, HEALTH AND ENVIRONMENT

Employee engagement activities like Health talks, free health check up by noted health professionals, celebration of women's day, and various helpdesk were set up to facilitate employee welfare during the year.

Safety committees at all the manufacturing units are functioning properly to ensure safe and healthy work environment.

Safety, Health and Environmental requirements as per rules have been adhered to at all units. Shop in-charge personnel and all security staff have been given sufficient on job training for the usage of safety equipments while in the shop floor. Necessary consent(s) have been obtained from pollution control Board with respect to water and air. Fire fighting equipments and water hydrant system are installed inside the factory for safety of all personnel and to meet any eventuality.

The Company had 410 employees as on March 31, 2012.

## ◆ 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 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2012, on a 'going concern' basis.

## ◆ PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

## ◆ SUBSIDIARY COMPANIES

Your Company has one subsidiary Company viz. Bharat Energy Ventures Limited (BEVL).

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 8<sup>th</sup> February, 2011 from attaching the Balance Sheet, Statement of Profit and Loss, Directors' Report, 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- 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

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report. However, this report is being sent to all the shareholders of the Company excluding the aforesaid information and the said particulars are made available at the registered office of the Company. The members interested in obtaining information under Section 217 (2A) may write to the Company Secretary at the registered office of the Company.

## ◆ CONSERVATION OF ENERGY

Though not a large-scale user of energy, your Company continues to explore several measures to conserve scarce resources and protect the environment. These include Water Recycling, Waste Recycling, Solder Fumes Control and Power Factor Improvement.

# Directors' Report and Management Discussion & Analysis

## ◆ TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Continuous efforts have been made for developing new technologies and to innovate products for affordable healthcare.

In the coming year, your Company will be delivering results on the obsolescence management programs that are underway in its existing range of in-house developed ECG, Defibrillator and patient monitor. While the monochrome displays give way to color displays, advanced algorithms and current-technology vital sign modules would become part of our product line.

In the current year, your Company made foray into the area of critical patient care with the introduction of its syringe and volumetric pumps for facilitating drug delivery and by adding Automated External Defibrillator (AED) feature to its existing biphasic defibrillator.

## ◆ 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 rigorous working conditions, pan-India. In the coming year, your Company plans to enter the high end spectrum of ECG & Patient Monitoring Devices with an in-house developed A4 ECG system and five parameter monitors with touch screen capability, 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 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 ₹ 1.66 lakhs & ₹ 82.88 lakhs respectively, which is 0.55% 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 by signing up distributorships in Nepal, Myanmar & Srilanka. The coming year should see more business from these alliances.

## ◆ FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, your Company utilized foreign

exchange worth ₹ 36.93 Crores and foreign exchange earning was nil.

## ◆ DIRECTORS

Capt. S Prabhala and Mr. K S Prasad, 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 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  
30<sup>th</sup> May, 2012

**Ajit G Nambiar**  
Chairman & Managing Director

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

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

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

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

Undisputed amounts payable in respect of Customs Duty and Gratuity contributions payable to LIC amounting to ₹ 272.46 lakhs and ₹ 469.14 lakhs, respectively, were outstanding as at 31<sup>st</sup> March, 2012, 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  
30<sup>th</sup> May, 2012

**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 31<sup>st</sup> March, 2012

The Company had introduced Employee Stock Option Scheme (viz. BPL Limited -ESOS -2009) for its employees. The details of options granted and exercised during 2011-12 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	5,17,739	
(d)	Options exercised	1,59,937	
(e)	The total number of shares arising as a result of exercise of options	1,59,937	
(f)	Options lapsed	16,735	
(g)	Variation of terms of options	Nil	
(h)	Money realized by exercise of options	Rs.15,99,370/-	
(i)	Total number of options in force	5,01,004	
(j)	Employee wise details of options granted to i) senior managerial personnel 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 iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Mr. Manoj U Nambiar, Mr. K Gopi and Mr.Shashi Nambiar Mr. S Hariharan, Mr.K Vishwanath, Mr.P D Sridhara and Mr.Shailesh Mudaliar  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'	₹ 14/- per share	
(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 exercise prices Not Applicable	weighted-average fair values of options 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 of the Company - 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 of Directors

Bangalore  
30<sup>th</sup> May, 2012

**Ajit G Nambiar**  
Chairman & Managing Director

# Auditors' Report on Corporate Governance

The Members of BPL Limited,

We have examined the compliance of conditions of Corporate Governance by BPL Limited, for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause 9 of Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Relation Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For T Velupillai & Co.**  
Chartered Accountants

**M S Ram (26687)**  
Partner

Bangalore  
28<sup>th</sup> May, 2012

## Report on Corporate Governance

### 1. Company's philosophy on Code of Governance

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

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

### 2. Board of Directors

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

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

Name of the Director	Category	Attendance			Other Directorships/ Committee Memberships*		
		No. of Board Meetings held during Directorship	No. of Board Meetings attended	Last AGM attended Yes/No	Directorship in other Companies	Committee Member	Committee Chairman
Mr. Ajit G Nambiar	Promoter - Executive	4	4	Yes	18	-	-
Mrs. Anju Chandrasekhar	Promoter - Non-executive	4	2	No	10	1	-
Mr. KS Prasad	Independent - Non-executive	4	3	No	-	-	1
Capt. S Prabhala	Independent - Non-executive	4	4	Yes	5	-	2
Mr. K Jayabharath Reddy	Independent - Non-executive	4	2	No	8	3	2
Mr. Suraj L Mehta	Independent - Non-executive	4	4	No	2	1	-
Mr. Subhash M 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.

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

Four Board Meetings were held during 2011-12. The meetings were held on the following dates: 27<sup>th</sup> May 2011, 5<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.

# Report on Corporate Governance

## Audit Committee

In terms of the Listing Agreements executed by the Company with Stock Exchanges and pursuant to Section 292A of the Companies Act, 1956, the Company has constituted Audit Committee which also complies with the requirements of Clause 49 of the Listing Agreement on the composition of the Audit Committee.

### a) Terms of reference

1. Oversight of the Company's financial reporting process.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:-
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e, transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
6. Discussion with internal auditors on any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors, before the audit commences, on the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice, secure attendance of outsiders with relevant expertise, if it considers necessary, invite such executives of the Company, as it may consider appropriate and

have full access to information contained in the records of the Company.

### b) Composition, name of members, chairperson and attendance at meetings

The Company constituted its Audit Committee of Directors during the year 1997-98.

Composition of the Committee as on 31<sup>st</sup> March, 2012

Name	Meetings	
	During the tenure	Attended
Mr. K Jayabharath Reddy, <i>Chairman</i>	4	4
Mr. Subhash Bathe, <i>Vice-Chairman</i>	4	4
Mr. Suraj L Mehta	4	3

### c) Number of Committee Meetings held, dates on which held

Four Meetings of the Committee were held during 2011-12. The meetings were held on the following dates: 27th May 2011, 5<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.

## 4. Remuneration/Compensation Committee

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

### a) Terms of Reference

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

### b) Composition, names of members and chairperson

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

Name	Meetings	
	During the tenure	Attended
Capt. S. Prabhala, <i>Chairman</i>	-	-
Mr. K Jayabharath Reddy	-	-
Mrs. Anju Chandrasekhar	-	-
Mr. Subhash Bathe	-	-

No compensation Committee meeting was held during the year 2011-12.

### c) Remuneration Policy

The Company considers its employees as one of the most valuable assets. Its remuneration policy is aimed at motivating the employees to put in their best efforts to achieve the growth plans of the Company. Its remuneration policy is transparent and rewards merit.

# Corporate Governance

d) Details of remuneration to all the directors for the financial year 2011 - 12

(₹)

Name	Designation	Salary (p.a.)	Perquisites (p.a.)	Contribution to PF Super annuation and Gratuity Funds	Others accident and Medi-claim insurance cover	Total	Service contracts	Notice Period	Severance Fee	Stock Options held	No.of Shares
Mr. Ajit G Nambiar	Chairman & Managing Director	48,00,000	24,00,000	10,56,000	Yes	82,56,000	As per Company's Rules	As per Company's Rules	Not specified	Nil	80,000
Mrs.Anju Chandrasekhar	-	-	-	-	-	-	-	-	-	-	74,600
Mr. K S Prasad	-	-	-	-	-	-	-	-	-	9,413	3,29,400
Capt. S Prabhala	-	-	-	-	-	-	-	-	-	9,413	2,587
Mr. K Jayabharath Reddy	-	-	-	-	-	-	-	-	-	9,413	-
Mr. Suraj L Mehta	-	-	-	-	-	-	-	-	-	-	9,413
Mr. Subhash M Bathe	-	-	-	-	-	-	-	-	-	-	9,413

The Company has not paid any remuneration to the non-executive directors other than sitting fees of ₹ 5000/- each, paid for attending Board/Committee Meetings. The remuneration paid to Mr. Ajit G Nambiar is within the limits approved by Central Government vide its letter no. A40400111-CL-VII dated 24th April, 2009.

## 5. Investors' Relation Committee

The Committee held its Meeting on 17<sup>th</sup> February, 2012.

### a) Terms of Reference

- Approval of requests received for Transfer/Transmission/ Transposition of shares in the physical form
- Deletions of names
- Approval of requests received for issue of Duplicate Share Certificates
- Rejection of requests for share transfers, wherever applicable
- Review of share transfers and time taken, issues relating to Refund Account, Unpaid dividend etc.,
- Establishment of Bank Accounts for dividend distribution
- Grant of authority to Company Secretary / Others to approve valid transfer documents in physical form
- Redressal of complaints received from Shareholders / Investors on non-receipt of shares after transfer in the physical form, Complaints on non-receipt of Balance Sheets, dividend, etc.,
- Approval of requests received for rematerialisation of shares.

### b) The Members of the Investors' Relation Committee are:

- i) Mr. KS Prasad, Chairman (Independent & Non-Executive)
- ii) Mrs. Anju Chandrasekhar (Non-Executive)

### c) Name and designation of Compliance Officer

Mr. S. Hariharan, Head-Legal & Taxation was the Compliance Officer up to 14<sup>th</sup> November, 2011 and Mr. Srinath Maniyal M is the Company Secretary and Compliance Officer of the company, since then.

### d) Number of Shareholder complaints received, not solved to the satisfaction of shareholders and number of pending share transfers

Shareholder complaints are given top priority by the Company and are replied promptly by the Investors' Service Cell and also by the Registrars and Share Transfer Agents of the Company. It is the policy of the Company that Investor Complaints are attended to within 48 hours of receipt. Barring certain cases pending in Courts/ Consumer Forums, relating to disputes over the title to shares, in which the Company has been made a party, the Company has attended to most of the investor grievances/ correspondences.

# Corporate Governance

A statement of the various complaints received and cleared by the Company during the year 2011-2012 is given below :

Nature of Complaint	2011-12		
	Received	Cleared	Pending
Non-receipt of share certificates duly transferred	13	13	-
Requests for endorsement of Share Certificates	-	-	-
Non-receipt of Dividend Warrant	2	2	-
Non-receipt of dividend warrant sent for re-validation	-	-	-
Requests for fully paid stickers	-	-	-
Letters from SEBI	-	-	-
Letters from Stock Exchanges	-	-	-
Letters from Ministry of Corporate Affairs	-	-	-
Non-receipt of Annual Reports	-	-	-
<b>Total</b>	<b>15</b>	<b>15</b>	<b>-</b>

## 6. General Body Meetings

a) Location, time and Special Resolution for the last three AGMs

	2008-09	2009-10	2010-11
Date, Venue and Time	30 <sup>th</sup> September, 2009 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M	24 <sup>th</sup> September, 2010 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M	27 <sup>th</sup> July, 2011 Sri Chackra International Krishna Gardens Chandranagar P.O, Palakkad 678 007, Kerala 10:00 A M
Special Resolutions passed	<ol style="list-style-type: none"> <li>1) Alteration of Articles of Association to reclassify the Authorised Capital of the Company by reducing the authorised Preference Share Capital by ₹ 5 Crores and increasing the Authorised Equity Share Capital by the same amount.</li> <li>2) Alteration of Articles of Association by insertion of a new Article 4A enabling issue of Equity Shares of the Company under Employees Stock Option Scheme or in any other forms as may be drawn up by the Board of Directors.</li> <li>3) Consent of the Company for issue &amp; allotment of 20,00,000 Equity Shares of the Company to the employees and prescribed categories of Directors under Employees Stock Option Scheme.</li> <li>4) Consent of the Company for issue &amp; allotment of Equity Shares of the Company to the employees and prescribed categories of Directors of the Subsidiaries of the Company under Employees Stock Option Scheme</li> </ol>	<ol style="list-style-type: none"> <li>1) Approval of the Company to the Board of Directors to modify/amend the provisions of the Company's Stock Option Scheme- "BPL Limited-ESOS-2009"</li> </ol>	Nil

b) Special resolutions put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedures for postal ballot: Nil

c) Location, time and Special Resolution of the Extra-Ordinary General Meeting of the Company held during the Financial Year 2011-12

	2011-12
Date, Venue and Time	29 <sup>th</sup> March, 2012, Sri Chackra International, Krishna Gardens, Chandranagar P.O, Palakkad - 678 007, Kerala, 10:00 AM
Special Resolution passed	1) Investment by way of subscription, purchase or otherwise, in the equity share capital of the subsidiary Company viz. Bharat Energy Ventures Limited, upto a sum not exceeding ₹ 40 Crores (Rupees Forty Crores only) notwithstanding that the aggregate of the investments so far made, securities provided, loans/guarantees so far given by the Company along with the proposed investment exceed the limit as specified under Sub-section (1) of Section 372A of the Companies Act, 1956.

# Corporate Governance

## 7 Disclosures

a) *Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large :*

There were no materially significant related party transactions during the year under review that might have had potential conflict with the interests of the company.

b) *Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years - None*

c) *Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee*

Though the Company has not adopted a Whistle Blower Policy, the employees can freely access the Audit Committee or its members.

d) *Details of compliance with mandatory requirement and adoption of non-mandatory requirements of this clause*

The Company has duly complied with the mandatory requirements of Clause 49 and has constituted a Compensation Committee, which also functions as Remuneration Committee, which is non-mandatory under Clause 49.

## 8. Means of Communication

a) *Quarterly results*

The Company has been regularly publishing Audited/ Un-audited results in leading news dailies, immediately after the same is approved by the Board. The results are also posted on the Company's website.

b) *Newspapers wherein results normally published*

The quarterly results are normally published in the all India edition of Business Standard and Palakkad edition of Mathrubhumi.

c) *Company's Website address*

The quarterly results and other official news are posted on the Company's website at <http://www.bpl.in>

d) *The presentations made to institutional investors or to the analysts*

No presentations were made to institutional investors or to the analysts during the year 2011-12

e) *E-mail ID for registering complaints by investors is:*

[investorsservices@bpl.in](mailto:investorsservices@bpl.in)

## 9. General Shareholder Information

### Date, Time & Venue of Annual General Meeting

The Company will hold its 48th Annual General Meeting on Wednesday, the 12<sup>th</sup> day of September, 2012 at 10.00 A.M. at Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala.

### Financial year

The Company's financial year starts on 1st April and ends on 31<sup>st</sup> March

### Date of Book Closure

Register of Members / Register of Share Transfer books will remain closed from 5<sup>th</sup> September, 2012 to 12<sup>th</sup> September, 2012 (both days inclusive).

### Dividend Payment Date

The Board of Directors have not recommended dividend on the equity shares for the financial year ended 31<sup>st</sup> March, 2012.

### Listing on Stock Exchanges

The Company's equity shares are listed on the following stock exchanges and the Company has paid the appropriate listing fees for the financial year 2011-12 :

1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

2) National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

### Stock Code

Bombay Stock Exchange : 500074

National Stock Exchange : BPL

Market Price Data (high, low during each month in last financial year) and performance in comparison to BSE Sensex & NSE Nifty

Month	BPL on BSE			BSE Sensex		BPL on NSE			NSE Nifty	
	High (₹)	Low (₹)	Volume (Nos.)	High	Low	High (₹)	Low (₹)	Volume (Nos.)	High	Low
2011										
April	31.05	22.25	1929415	19811.14	18976.19	31.15	22.10	2871618	5944.45	5693.25
May	25.90	21.25	338135	19253.87	17786.13	26.40	21.80	325898	5775.25	5328.70
June	26.10	21.35	357952	18873.39	17314.38	26.55	21.90	400787	5657.90	5195.90
July	27.85	24.10	1079216	19131.70	18131.86	27.95	23.60	1816000	5740.40	5453.95
August	25.50	19.40	440011	18440.07	15765.53	25.60	18.55	611312	5551.90	4720.00
September	23.35	19.75	328850	17211.80	15801.01	23.35	19.10	543650	5169.25	4758.85
October	20.85	19.10	212443	17908.13	15745.43	20.75	19.60	337098	5399.70	4728.30
November	22.45	15.75	366817	17702.26	15478.69	22.45	16.40	553155	5326.45	4639.10
December	23.50	15.80	847813	17003.71	15135.86	24.50	15.80	1410083	5099.25	4531.15
2012										
January	20.25	16.10	588176	17258.97	15358.02	20.25	15.80	721235	5217.00	4588.05
February	23.45	19.00	978091	18523.78	17061.55	24.00	19.00	1626302	5499.40	5135.95
March	20.25	16.90	345889	18040.69	16920.61	20.05	16.65	574770	5629.95	5159.00

# Corporate Governance

## Registrar and Transfer Agents

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

## Share Transfer System

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

Share transfers in the physical form are approved on a fortnightly basis by the Company and are mailed to the investors. The total number of shares transferred during the year 2011-2012 was 800 (previous year 1500)

## Distribution of Shareholding

No. of Shares held	31 <sup>st</sup> March, 2011				31 <sup>st</sup> March, 2012			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares held	% of Share holdings
1 - 500	23981	86.88	3429587	7.07	23641	86.31	3409336	7.00
501 - 1000	1867	6.76	1562413	3.22	1886	6.89	1577582	3.24
1001 - 2000	843	3.05	1327278	2.74	906	3.31	1425159	2.93
2001 - 3000	310	1.12	795714	1.64	320	1.17	821388	1.69
3001 - 4000	125	0.45	449146	0.93	125	0.46	451715	0.93
4001 - 5000	127	0.46	609525	1.26	151	0.55	718398	1.48
5001 - 10000	191	0.69	1388529	2.86	195	0.71	1433478	2.95
Above 10000	162	0.59	38948052	80.28	168	0.61	38833125	79.79
Total	27606	100.00	48510244	100.00	27392	100.00	48670181	100.00

## Shareholders' Profile as on 31<sup>st</sup> March, 2012

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

Category	Shares held	% to Total Equity
Promoters		
- Core	2,98,11,194	61.25
- Directors, Relatives & Friends	12,83,350	2.64
FII's / NRI's / OCBs	2,56,269	0.53
FI's / Banks / Mutual Funds	4,700	0.01
Insurance Companies	4,43,010	0.91
Bodies Corporate	44,64,930	9.17
Public	1,24,06,728	25.49
Total	4,86,70,181	100.00

## Dematerialisation of Shares and Liquidity

The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to facilitate holding & trading of Company's equity shares in electronic form. Nearly 98.01% of Company's shares are held in electronic form. The Company's shares are regularly traded on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

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

## Plant Locations

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

## Address for Correspondence

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

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

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

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year 2011-12.

Bangalore  
30<sup>th</sup> May, 2012

Ajit G Nambiar  
Chairman & Managing Director

# Auditors' Report

To the Members of BPL Limited,

We have audited the attached Balance Sheet of BPL Limited as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books;
  - c) The Balance Sheet and Statement of Profit and Loss referred to in this Report are in agreement with the books of account of the company;
  - d) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereto, give the information as required by the Companies Act, 1956, in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India;
    - i. in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
    - ii. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

M S Ram (26687)  
Partner

Bangalore  
30th May, 2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 1 of our report, of even date, to the members of BPL Limited for the year ended 31<sup>st</sup> March, 2012

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

- (b) As informed by the management, the Company is in the process of conducting physical verification of its fixed assets at all major locations. A final report is awaited.
  - (c) During the year, on account of past defaults on repayment of principal and Interest, one of the secured lenders had enforced The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT) and sold a portion of the land belonging to the company which was offered as security and realized their dues to the extent of consideration received. However, this has not affected the going concern status of the company.
2. (a) Physical verification at reasonable periods in respect of finished goods, stores, spare parts and raw materials are reported to have been made by the management and certified by them accordingly. In our opinion, the frequency of verification is reasonable.
    - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
    - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies between physical stock and book stock, which were not material, have been properly dealt with in the books of account.
  3. The Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  4. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
    - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
    - (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
  5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, we have not noticed any continuing failure to correct any major weakness in internal control systems.
  6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956, and rules made there under, are not applicable to the company.
  7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
  8. The Central Government has not prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956, with respect to the manufacture of Medical Equipments. However, in respect of Printed Circuit Boards manufactured by the company, the Central Government has prescribed the maintenance of cost records under Section 209 (1)(d) of Companies Act, 1956. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed



# Annexure to Auditors' Report

examination of the records with a view to determining whether they are accurate or complete.

9. (a) According to the records of the Company and information and explanation given to us, there have been instances of delays in remittance of undisputed statutory dues including Income Tax Deducted at Source, Provident Fund, Employees State Insurance, Sales Tax, Service Tax,

Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

- (b) According to the information and explanations given to us, undisputed amounts payable in respect of customs duty amounting to Rs. 272 Lakhs and Gratuity payable of Rs.469.14 lacs were outstanding, as at 31st March 2012, for a period of more than six months from the dates on which they became payable.

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

Name of Dues	Nature of Dispute	(₹ in Lakhs)	Forum where pending
Central Excise	Eligibility of Exemption from Payment of duty on DC Defibrillator, and penalty	56.42	Supreme Court
Central Excise	Recovery of CENVAT Credit due to price reduction of inputs	93.82	Tribunal
Central Excise	Demand of duty on clearance of sample Colour TVs	3.33	Tribunal
Central Excise	Demand for duty at Higher rate for clearance of CENVAT availed inputs	19.87	Commissioner-Appeals
Central Excise	Demand for duty on clearance of CIV Parts/components/sub-assemblies on SKD condition to OEMs.	282.05	Tribunal
Central Excise	Penalty for non inclusion of Amortised Cost in value of Plastic Parts	34.73	Tribunal
Customs duty	Differential Duty on Imported Cathode Ray Tube	4.72	Commissioner-Appeals (Mumbai)
Customs duty	Entitlement to Exemption for parts of Defibrillator	627.61	CESTAT/Commissioner-(Appeals)
Customs duty	Special Customs duty on Capacitors	3.10	Commissioner-Appeals (Chennai)
Customs duty	Duty on clearance of bonded goods.	33.33	CESTAT
Sales Tax	Various disallowances and non- submission of 'c' forms	1708.66	At various appellate levels ranging from DCCTs (Appeals) to Appellate Tribunals
Service Tax	Demand of Service tax on manpower services deemed to have been provided to Sanyo BPL.	98.48	Tribunal

10. The Company's accumulated losses do not exceed 50% of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. During the year, on account of past defaults on repayment of principal and interest, one of the secured lenders have enforced The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT) and sold the assets offered as security and realized their dues to the extent of consideration received. As per the settlement agreement with the lenders, all outstanding secured loans have been fully cleared during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is neither a Chit Fund nor a Nidhi/Mutual Benefit Society. Hence, in our opinion, the requirements of Clause (xiii) of Companies (Auditor's Report) Order, 2003 do not apply to the company,
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Hence, in our opinion the requirements of Clause (xiv) of Companies (Auditor's Report) Order, 2003 do not apply to the company.
15. According to the information and explanations given to us, the Company has not given any guarantee during the year, for loans taken by others from banks and financial institutions.

16. According to the records of the Company, the company has not obtained any term loans during the year. In case of continuing guarantees, we are unable to express an opinion on whether the terms and conditions are prejudicial to the interests of the company, considering the status of the borrower.
17. The Company has not utilised funds borrowed on short term basis, if any, for long term uses, during the year under audit.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

Bangalore  
30th May, 2012

**M S Ram (26687)**  
Partner

# Balance Sheet

(₹)

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	218,25,79,760	218,09,80,390
(b) Reserves and Surplus	4	159,38,62,215	97,79,90,443
<b>(2) Share Application Money - pending allotment</b>			
<b>(3) Non-Current Liabilities</b>	5		
(a) Long-term borrowings		25,00,00,000	131,47,08,650
(b) Other Long term liabilities		16,64,18,682	25,23,37,019
(c) Long term provisions		4,69,23,804	4,48,67,389
<b>(4) Current Liabilities</b>	6		
(a) Trade payables		14,82,66,344	14,28,02,398
(b) Other current liabilities		8,82,97,387	10,77,09,598
(c) Short-term provisions		19,776	19,776
<b>Total</b>		<b><u>447,63,67,968</u></b>	<b><u>502,14,15,663</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		26,38,16,762	71,76,76,679
(b) Non-Current investments	8	115,40,10,000	136,99,68,136
(c) Deferred tax assets (net)	9	240,48,59,677	231,53,97,532
(d) Long term loans and advances	10	25,28,00,968	20,06,26,343
(e) Other non-current assets	11	6,39,65,975	6,26,94,114
<b>(2) Current assets</b>			
(a) Current investments	12	-	-
(b) Inventories	13	9,42,98,899	8,42,59,579
(c) Trade receivables	14	12,94,93,905	17,74,91,171
(d) Cash and cash equivalents	15	5,66,51,094	3,85,29,271
(e) Short-term loans and advances	16	5,63,59,147	5,47,72,838
(f) Other current assets	17	1,11,539	-
<b>Total</b>		<b><u>447,63,67,968</u></b>	<b><u>502,14,15,663</u></b>
Contingent Liabilities and Commitments	18	49,66,14,781	48,81,94,095
Significant Accounting Policies & Notes on Accounts	1 & 2		

As per our report attached

For and on behalf of the Board of Directors

for **T Velupillai & Co**

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30<sup>th</sup> May, 2012

**Ajit G Nambiar**

Chairman & Managing Director

**Capt. S Prabhala**

Director

**Manoj U Nambiar**

Chief Financial Officer

**Srinath Maniyal M**

Company Secretary

# Statement of Profit and Loss

(₹)

Particulars	Note No.	For the year ended	
		31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
I Revenue from Operations (Gross)	19	79,37,60,178	92,88,39,921
Less: Excise duty		2,25,43,681	2,18,49,534
Revenue from Operations (Net)		77,12,16,497	90,69,90,387
II. Other Income		75,97,76,456	139,28,38,021
<b>III. Total Revenue (I +II)</b>		<b>153,09,92,953</b>	<b>229,98,28,408</b>
IV. Expenses			
Cost of materials consumed	20	26,35,54,186	30,45,37,579
Purchase of Stock-in-Trade	21	29,23,99,712	34,78,37,168
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(48,51,127)	71,77,370
Employee benefit expense	22	18,09,53,488	15,99,76,282
Financial costs	23	3,65,80,541	10,45,24,053
Depreciation and amortization expense		7,85,04,577	21,36,20,729
Other expenses	24	14,35,35,522	14,71,67,221
<b>Total Expenses</b>		<b>99,06,76,899</b>	<b>128,48,40,402</b>
V. Profit before exceptional and extra-ordinary items and tax (III - IV)		54,03,16,054	101,49,88,006
VI. Exceptional Items		(28,07,260)	(14,78,223)
VII. Profit before extra-ordinary items and tax (V - VI)		53,75,08,794	101,35,09,783
VIII. Extra-ordinary Items		(2,00,69,751)	(22,86,21,729)
<b>IX. Profit before tax (VII - VIII)</b>		<b>51,74,39,043</b>	<b>78,48,88,054</b>
X. Tax expense:			
(1) Current tax			
(2) Deferred tax		8,94,62,145	(76,37,630)
XI. Profit / (Loss) from the period from continuing operations		60,69,01,188	77,72,50,424
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit / (Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit / (Loss) for the period (XI + XIV)</b>		<b>60,69,01,188</b>	<b>77,72,50,424</b>
XVI. Earning per equity share:			
(1) Basic		14.1	16.0
(2) Diluted		14.0	15.9
No. of Equity Shares		4,86,70,181	4,85,10,244
No. of shares with stock options outstanding		3,41,067	5,17,739

As per our report attached

For and on behalf of the Board of Directors

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

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2012

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>3 SHAREHOLDERS' FUNDS</b>		
<b>Share Capital</b>		
<b>3.1 Equity Share Capital</b>		
3.1.1 Authorised Equity Share Capital 5,50,00,000 Shares (5,50,00,000 Shares) of ₹ 10/- each	55,00,00,000	55,00,00,000
3.1.2 Issued, Subscribed and fully Paid-Up 4,86,70,181 Shares (4,85,10,244 Shares) of ₹10/- each	48,67,01,810	48,51,02,440
3.1.3 There are no shares that have been issued, subscribed and not fully paid up.		
3.1.4 Forfeited Shares	9,750	9,750
3.1.5 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	3,41,067	5,17,739
3.1.6 Number of Equity Shares outstanding as at the beginning of the period	4,85,10,244	4,85,10,244
Number of Equity Shares outstanding as at the end of the period	4,86,70,181	4,85,10,244
Shares issued on exercise of Employees Stock Options	1,59,937	
3.1.7 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 3.5		
Total - Equity Share Capital	<u>48,67,11,560</u>	<u>48,51,12,190</u>
<b>3.2 Preference Share Capital</b>		
3.2.1 Authorised Preference Share Capital 1,70,00,000 Shares (1,70,00,000 Shares) of ₹100/- each	170,00,00,000	170,00,00,000
3.2.2 Issued, Subscribed and fully Paid-Up 1,69,58,682 Shares (1,69,58,682 Shares) of ₹100/- each	169,58,68,200	169,58,68,200
Total - Preference Share Capital	<u>169,58,68,200</u>	<u>169,58,68,200</u>
<b>3.3 Notes on Share Capital</b>		
3.3.1 The Company has not issued any securities convertible into equity/preference shares.		
3.3.2 There are no rights, preferences and restrictions attaching to class of shares mentioned above.		
3.3.3 During any of the last five years ending 31 <sup>st</sup> March, 2006 : No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. No shares were allotted as fully paid up by way of bonus shares. No shares were bought back.		
3.4 Cross References to Notes under other heads - Nil		

# Notes forming part of Balance Sheet

(₹)

## 3.5 Shareholders holding 5% and above stake in the company as on 31<sup>st</sup> March, 2012

### a) Equity Shares

Sl. No.	Name	No. of Shares	% to the total Equity Capital
1.	Electro Investment Private Limited	2,31,02,544	47.47
2.	Merino Finance Private Limited	30,77,500	6.32
3.	E R Computers Private Limited	25,51,000	5.24

### b) Preference Shares

Sl. No.	Name	No. of Shares	% to the total Preference Capital
1.	ICICI Bank Limited	65,37,837	38.55
2.	Pegasus Assets Reconstruction Private Limited	40,11,432	23.65
3.	Oriental Bank of Commerce	20,00,000	11.79
4.	Canara Bank	18,07,033	10.66

## 4 Reserves and Surplus

### 4.1 Reserves

Description	Balance as at 31 <sup>st</sup> March, 2011	Additions	Deductions	Balance as at 31 <sup>st</sup> March, 2012
Capital Redemption Reserve	53,33,00,000	-	-	53,33,00,000
Capital Reserve	49,800	-	-	49,800
Share Premium Account	183,02,34,780	45,66,201	-	183,48,00,981
Employees Stock Options Outstanding Account	57,91,088	89,90,360	45,66,201	1,02,15,247
<b>Total</b>	<b>236,93,75,668</b>	<b>1,35,56,561</b>	<b>45,66,201</b>	<b>237,83,66,028</b>

### 4.2 Surplus

Opening Surplus i.e., Balance in Statement of Profit and Loss	(216,86,15,873)			(139,13,85,226)
Add : Profit for the period as per XV of Statement of Profit and Loss	77,72,50,424			60,69,01,188
Less : Dividend on Preference Shares	16,959			16,959
Final Dividend @ 0.001%				
Tax on Preference Dividend	2,817			2,817
Closing Surplus i.e., Balance in Statement of Profit and Loss	(139,13,85,226)	-	-	(78,45,03,814)
<b>4.3 Total - Reserves and Surplus</b>	<b>97,79,90,443</b>	<b>1,35,56,561</b>	<b>45,66,201</b>	<b>159,38,62,215</b>

### 4.4 Cross References to Notes under other heads : Nil

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
<b>5 Non-Current Liabilities</b>				
5.1 Long Term Borrowing				
5.1.1 Secured				
Term Loans from Banks			1,22,83,304	
Term Loans from Other Parties			117,24,25,346	
Total - Secured Long Term Borrowings				118,47,08,650
5.1.2 Unsecured				
Other loans and advances	25,00,00,000		13,00,00,000	
Total - Unsecured Long Term Borrowings		25,00,00,000		13,00,00,000
5.1.3 Total - Long Term Borrowings		<u>25,00,00,000</u>		<u>131,47,08,650</u>
5.1.4 Notes on Long Term Borrowings				
	<p>Term loan from Banks ₹ Nil (₹ 11724.25 lakhs) was secured by a pledge of BPL Brand excluding BPL Brand of Colour Television and is secured by equitable mortgage by way of deposit of title deeds of immovable properties of the company in Coimbatore and residential property in Bangalore and land in Hoskote and is secured by equitable mortgage of leasehold property in Chennai and loans of ₹ Nil (₹ 100.00 Lakhs) was secured by a common pool of all the assets of the company situated at Palakkad, Doddaballapur, Dobespet and Bommasandra and pledge of 2,26,90,000 equity shares held by the Company in Sanyo BPL Private Limited and a Personal Guarantee of the Managing Director (pending execution), ranking paripassu, with all the lenders.</p> <p>There has been no continuing default as on Balance Sheet date in respect of repayment of loans and interest.</p>			
5.1.5 Cross References to Notes under other heads : Nil				
5.2 Other Long Term Liabilities				
Trade Payables	16,64,18,682		25,23,37,019	
Total - Other Long Term Liabilities		<u>16,64,18,682</u>		<u>25,23,37,019</u>
5.3 Long Term Provisions				
Provision for Employees Gratuity / Superannuation	4,69,23,804		4,48,67,389	
Total Long Term Provisions		<u>4,69,23,804</u>		<u>4,48,67,389</u>
Total - Non-Current Liabilities		<u>46,33,42,486</u>		<u>161,19,13,058</u>
<b>6. Current Liabilities</b>				
6.1 Trade Payables				
Trade Payables	10,73,79,160		11,81,56,042	
Due to related parties	-		-	
Others	4,08,87,183		2,46,46,356	
Total - Trade Payables		<u>14,82,66,344</u>		<u>14,28,02,398</u>
6.2 Other Current Liabilities				
Trade Deposit & Advances	2,52,82,875		2,22,95,885	
Income received in advance	1,11,08,384			
Sales Tax & withholding taxes payable	3,76,76,649		5,96,84,069	
Employees- Salaries & Benefits	1,42,29,479		2,57,29,645	
Total - Other Current Liabilities		<u>8,82,97,387</u>		<u>10,77,09,598</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
6.3 Short Term Provisions				
Provision for Preference Dividend	19,776		19,776	
Total Short Term Provisions		19,776		19,776
Total - Current Liabilities		<u>23,65,83,507</u>		<u>25,05,31,772</u>

## 7 Non - Current Assets

Description	Gross Block				Depreciation			Net Block	
	As at 31 <sup>st</sup> March, 2011	Additions	Deletions	As at 31 <sup>st</sup> March, 2012	Deletions	For the year	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
7.1 Tangible assets									
Land	10,53,55,871	-	4,75,09,696	5,78,46,175			-	5,78,46,175	10,53,55,871
Buildings	38,38,88,935	-	9,90,64,318	28,48,24,617	4,84,05,879	90,81,951	13,72,27,561	14,75,97,056	20,73,37,446
Plant & Machinery	131,29,45,143	10,79,221	121,94,56,220	9,45,68,144	94,02,16,681	6,38,33,024	5,65,75,125	3,79,93,019	37,99,86,361
Computer, Equipments and Net working	9,18,59,810	11,30,181	14,48,463	9,15,41,528	14,11,105	28,49,015	8,45,69,015	69,72,513	87,28,705
Furniture & Fixtures	17,28,41,587	-	59,35,334	16,69,06,253	54,49,234	17,29,546	15,77,81,715	91,24,538	1,13,40,184
Vehicles	3,53,05,500	2,00,000	-	3,55,05,500	-	5,04,998	3,29,96,009	25,09,491	28,14,489
Research and Developmental Expt.	13,39,36,050	1,66,391	-	13,41,02,441	-	5,06,043	13,23,28,471	17,73,970	21,13,623
7.2 Total - Tangible & Intangible Assets	223,61,32,896	25,75,793	137,34,14,031	86,52,94,658	99,54,82,899	7,85,04,577	60,14,77,896	26,38,16,762	71,76,76,679
7.3 Previous year	277,66,26,306	44,84,841	54,49,78,251	223,61,32,896	13,38,73,296	7,97,47,433	151,84,56,217	71,76,76,679	113,29,06,556

7.4 Pursuant to settlement agreement with M/s. Peagasus Assets Reconstruction Pvt. Ltd., some of the assets comprising of land and building are held by them as security against indemnity obligations surviving till 29th March 2014. Assets so secured are: Residential properties at Poonam Chambers, Mumbai, Ashok Bhavan, New Delhi, land and building at Doddaballapur Taluk, Bangalore and land and building at Somanahally Industrial Area, Mandya District.

Particulars	No. of Shares	31 <sup>st</sup> March, 2012	No. of Shares	31 <sup>st</sup> March, 2011
<b>8 Non-Current Investments</b>				
8.1 Trade Investments (Refer 6.4) (At Cost)				
Investment in Subsidiary Companies	11,54,00,000	115,40,00,000	11,54,00,000	115,40,00,000
Total - Trade Investments		<u>115,40,00,000</u>		<u>115,40,00,000</u>
8.2 Other Investments (Refer 8.5) (At Cost)				
Investment in Partnership Firms		3,88,04,549		3,88,04,549
Investment in Joint Ventures	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
Investments in Traded Companies - Quoted	4,15,000	1,14,93,325	4,15,000	1,14,93,325
Investments in Traded Companies - Unquoted	1,58,00,980	60,78,43,408	1,58,00,980	60,78,43,408
Total - Other Investments		<u>88,50,41,282</u>		<u>88,50,41,282</u>
8.3 Total of 8.1 and 8.2				
Less: Provision for diminution in the value of investments		88,50,31,282		66,90,73,146
Total - Trade Investments & Other Investments		115,40,10,000		136,99,68,136

# Notes forming part of Balance Sheet

(₹)

Particulars	No. of Shares	31 <sup>st</sup> March, 2012	No. of Shares	31 <sup>st</sup> March, 2011
8.4 Details of Trade Investments				
8.4.1 Subsidiary Companies				
Equity Instruments - fully paid - Unquoted				
Bharat Energy Ventures Limited :				
11,54,00,000 Equity Shares of ₹ 10/- each				
fully paid-up	11,54,00,000	115,40,00,000	11,54,00,000	115,40,00,000
8.4.2 General Information				
Aggregate Value of Investments:				
Quoted at Cost				
At Market Value				
Unquoted at Cost		115,40,10,000		136,99,68,136
8.5 Details of Other Investments				
8.5.1 Investments in Traded Companies - Quoted				
Equity Instruments - Fully Paid - Quoted				
B S Appliances Limited :				
81,000 Equity Shares of ₹ 10/- each,				
fully paid up (Market value: Nil)	81,000	33,50,375	81,000	33,50,375
BPL Engineering Limited :				
3,34,000 Equity Shares of ₹ 10/- each,				
fully paid up (Market value: Nil)	3,34,000	81,42,950	3,34,000	81,42,950
8.5.2 Investments in Traded Companies - UnQuoted				
Equity Instruments - Fully Paid - Unquoted				
BPL Telecom Private Limited :				
25,96,980 Equity Shares of ₹ 10/- each,				
fully paid up	25,96,980	21,59,58,986	25,96,980	21,59,58,986
BPL Management Services Limited :				
89,91,000 Equity Shares of ₹ 10/- each,				
fully paid up	89,91,000	8,99,09,910	89,91,000	8,99,09,910
BPL Techno Vision Private Limited :				
1000 Equity Shares of ₹ 10/- each,				
fully paid up	1,000	10,000	1,000	10,000
Electronic Research Private Limited :				
35,75,000 Equity Shares of ₹ 10/- each,				
fully paid up	35,75,000	3,57,50,000	35,75,000	3,57,50,000
Kleer Industries Inc. (USA) :				
87,000 Shares of 7USD each	87,000	2,05,99,443	87,000	2,05,99,443
5,50,000 Shares of 10 USD each	5,50,000	24,56,15,069	5,50,000	24,56,15,069
8.5.3 Joint Venture Companies				
Equity Instruments - Fully Paid - Unquoted				
Sanyo BPL Private Limited :				
2,26,90,000 Equity Shares of ₹ 10/- each,				
fully paid up	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
8.5.4 Investment in Partnership Firms				
Kodi Properties and Finance		3,78,41,790		3,78,41,790
Wellworth Electronics		9,62,759		9,62,759



# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>9 Deferred Tax Assets (Net)</b>		
9.1 Assets		
Provision for expenses allowable on payment basis		
Voluntary retirement compensation scheme		
Others	240,48,59,677	231,53,97,532
	<u>240,48,59,677</u>	<u>231,53,97,532</u>
9.2 Net Deferred Tax asset	<u>240,48,59,677</u>	<u>231,53,97,532</u>
<b>10 Long Term Loans and Advances</b>		
10.1 Loans and advances to related parties		
Unsecured, considered good	25,28,00,968	20,06,26,343
Total - Loans and advances to related parties	<u>25,28,00,968</u>	<u>20,06,26,343</u>
10.2 Total - Long Term Loans and Advances	<u>25,28,00,968</u>	<u>20,06,26,343</u>
<b>11 Other Non Current Assets</b>		
11.1 Others (Security Deposit)		
Secured, considered good	6,39,65,975	6,26,94,114
Total - Security Deposits	<u>6,39,65,975</u>	<u>6,26,94,114</u>
11.2 Total - Other Non-Current Assets	<u>6,39,65,975</u>	<u>6,26,94,114</u>
<b>12 Current Investments</b>	-	-
<b>13 Inventories</b>		
13.1 Valued at Lower of Cost or Realisable value		
Raw Materials	3,25,58,459	2,62,71,466
Work-in-Progress	77,31,456	90,37,125
Finished Goods	2,44,98,315	1,83,41,519
Stores and Spares	2,95,10,669	3,06,09,469
Total - Inventories	<u>9,42,98,899</u>	<u>8,42,59,579</u>
<b>14 Trade Receivables</b>		
14.1 Outstanding for a period more than six months from the due date of payment		
Unsecured considered doubtful	40,67,223	14,78,223
Less:- Provision for doubtful receivables	40,67,223	14,78,223
14.2 Other Trade Receivables		
Unsecured considered good	12,94,93,905	17,74,91,171
Less:- Provision for doubtful receivables	<u>12,94,93,905</u>	<u>17,74,91,171</u>
Total - Trade Receivables	<u>12,94,93,905</u>	<u>17,74,91,171</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
<b>15 Cash and bank balances</b>				
15.1 Cash and Cash equivalents				
Cheques, drafts on hand				
Cash on hand	1,21,646		1,21,558	
Total - Cash and Cash equivalents		<u>1,21,646</u>		<u>1,21,558</u>
15.2 Other Bank Balances				
includes earmarked balances:				
Bank Balances in Current Accounts	2,40,41,139		43,47,748	
Bank deposits with more than 12 months maturity	3,24,88,309		3,40,59,965	
Total - Bank Balances		5,65,29,448		3,84,07,713
Total - Cash and Bank Balances		<u>5,66,51,094</u>		<u>3,85,29,271</u>
<b>16 Short Term Loans and Advances</b>				
16.1 Advance payment of income tax & wealth tax (including TDS)	5,29,60,819	5,29,60,819	5,06,20,739	5,06,20,739
16.2 Deposits/Balances with Excise / Sales Tax Authorities	23,92,094	23,92,094	35,94,540	35,94,540
16.3 Loans & Advances to Employees	10,06,234	10,06,234	5,57,558	5,57,558
16.4 Total - Short Term Loans and Advances		<u>5,63,59,147</u>		<u>5,47,72,838</u>
<b>17 Other Current Assets</b>				
Interest Accrued	1,11,539		-	
Other Current Assets		1,11,539		-
<b>18 Contingent Liabilities and Commitments</b>				
18.1 Contingent Liabilities				
Claims against the company not acknowledged as debt				
Cental Excise		4,90,23,392		4,90,23,392
Customs		6,68,77,345		6,68,77,345
Service Tax		98,48,238		-
Sales Tax		17,08,65,806		17,22,93,358
Guarantees		20,00,00,000		20,00,00,000
Total		<u>49,66,14,781</u>		<u>488,194,095</u>
18.2 Commitments				
As per CDR Scheme, lenders have a recompense clause for economic loss due to restructuring, which would be met out of any future cash flows of the company. It is not possible to quantify the liability, if any, that may arise.		-		-
18.3 Total - Contingent Liabilities and Commitments		<u>49,66,14,781</u>		<u>48,81,94,095</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
Other Notes to Balance Sheet				
In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet				
<b>19 Revenue</b>				
19.1 Revenue from Operations				
Sale of Products	77,73,66,625		89,28,04,814	
Sale of Services	1,63,93,552		3,60,35,107	
Less: Excise Duty	2,25,43,681		2,18,49,534	
Net Sales		<u>77,12,16,497</u>		<u>90,69,90,387</u>
19.2 Other Income				
Interest Income	20,46,823	20,46,823	66,92,318	66,92,318
Net gain / loss on sale of Fixed Assets	74,51,77,228	74,51,77,228	137,83,17,090	137,83,17,090
Other non-operating income - Net	1,20,61,941	1,20,61,941	72,95,928	72,95,928
Other than non-operating income - Net	4,90,464	4,90,464	5,32,685	5,32,685
Total - Other Income		<u>75,97,76,456</u>		<u>139,28,38,021</u>
<b>20 Raw Materials Consumed</b>				
Opening Stock	2,62,71,466		2,32,90,173	
Raw & Process Material Purchased	20,88,72,491		24,27,04,385	
Power & Fuel	76,03,824		67,53,984	
Stores, Spares & Packing Materials Consumed	5,33,64,864		5,80,60,503	
Closing Stock	(3,25,58,459)		(2,62,71,466)	
Total - Raw materials consumed		<u>26,35,54,186</u>		<u>30,45,37,579</u>
<b>21 Purchase of Stock-in-Trade</b>	29,23,99,712	29,23,99,712	34,78,37,168	34,78,37,168
Changes in Inventories				
Stock at Opening - Finished Goods	1,83,41,519		2,72,26,250	
Stock at Opening - Work in Process	90,37,125		73,29,764	
Total - Opening Stock		<u>2,73,78,644</u>		<u>3,45,56,014</u>
Stock at Closing - Finished Goods	2,44,98,315		1,83,41,519	
Stock at Closing - Work in Process	77,31,456		90,37,125	
Total - Closing Stock		3,22,29,771		2,73,78,644
(Increase)/Decrease in Stocks		(48,51,127)		71,77,370

# Notes forming part of Balance Sheet

(₹)

Particulars	31st March, 2012		31st March, 2011	
<b>22 Employee Benefits</b>				
Salaries and Wages	15,25,49,926		13,36,66,210	
Contribution to Provident and other funds	1,67,59,367		1,56,27,373	
Director's Remuneration	82,56,000		71,55,200	
Staff welfare expenses	33,88,195		35,27,499	
Total - Employee Benefits		<u>18,09,53,488</u>		<u>15,99,76,282</u>
<b>23 Finance Costs</b>				
Interest Expenses on Term Loans	1,28,121		8,29,98,866	
Interest Overdraft/Other	33,805,111		1,75,83,114	
Other Borrowing Cost	26,47,309		39,42,073	
Total - Finance Costs		<u>3,65,80,541</u>		<u>10,45,24,053</u>
<b>24 Other Expenses</b>				
Advertisemet & Publicity	28,22,978		88,63,839	
Auditors Remuneration	7,47,194		7,33,495	
Bad Debts/Projects Written Off	11,82,824		42,73,164	
Claims to customer & other selling expenses	38,24,339		42,68,034	
Commission on Sales	49,01,585		10,91,254	
Communication Expenses	85,89,286		92,81,985	
Conveyance & Travelling	2,64,97,976		2,56,91,388	
Directors Sitting Fees	2,05,000		2,45,000	
Discounts & Other Selling Expenses	1,62,25,353		1,56,97,435	
Donations	200		32,501	
Foreign Exchange Fluctuation	9,25,980		35,885	
Freight Charges	1,21,57,537		1,27,93,441	
Insurance Expenses	46,41,720		52,58,646	
Legal & Professional	2,28,44,048		2,56,49,135	
Miscellaneous Expenses	3,65,192		2,65,238	
Office Maintenance	1,24,90,075		1,34,64,942	
Printing & Stationery	15,81,415		17,55,613	
Rates & Taxes	88,49,491		27,94,046	
Rent	1,16,49,038		1,18,18,454	
Repair & Maintenance - P&M	13,11,999		12,29,778	
Staff Recruitment & Training	7,63,072		5,21,275	
Vehicle Operating Expenses	9,59,220		14,02,673	
Total - Other Expenses		<u>14,35,35,522</u>		<u>14,71,67,221</u>

# Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
24.1 Auditors' Remuneration				
Audit Fees	5,00,000		5,00,000	
Tax Audit Fees	75,000		75,000	
Reimbursement of Expenses	35,000		35,000	
Taxation matters	5,000		5,000	
Certification Charges	50,000		50,000	
Service Tax	82,194		68,495	
Total		<u>7,47,194</u>		<u>7,33,495</u>
24.2 CIF Value of Imports				
Raw materials	5,41,94,478		5,78,85,200	
Components and spare parts	31,50,75,804		39,37,84,576	
Capital goods		<u>36,92,70,282</u>		<u>45,16,69,776</u>
24.3 Expenditure in Foreign Currency				
Professional and Consultation fees	46,577		2,66,320	
Travelling	2,39,141		5,36,830	
Total		<u>2,85,718</u>		<u>8,03,150</u>
24.4 Raw Materials Consumed				
Imported	40,52,88,599		46,41,94,507	
Imported % to total		72.90		72.50
Indigenous	15,06,65,298		17,65,15,647	
Indigenous % to total		27.10		27.50
Total		<u>55,59,53,898</u>		<u>64,07,10,154</u>
Total %		<u>100.00</u>		<u>100.00</u>
24.5 Earnings in Foreign Currency				
Export of goods calculated on F.O.B. basis		-		64,38,914

# Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before exceptional, extra-ordinary items and tax	54,03,16,054	101,49,88,006
<i>Adjustments for:</i>		
Depreciation and Amortisation	7,85,04,577	21,36,20,729
(Profit)/Loss on sale / write off of assets	(74,51,77,228)	(137,83,17,090)
Expense on Employee Stock Option Scheme	89,90,360	57,91,088
Finance Costs	36,580,541	10,45,24,053
Interest Income	(20,46,823)	(66,92,318)
Share of profit from partnership firms		425
Liabilities / provisions no longer required written back		22,86,21,729
Provision for doubtful trade and other receivables, loans and advances	(28,07,260)	(14,78,223)
	(62,59,55,833)	(83,39,29,607)
Operating Profit/(Loss) before working capital changes	(8,56,39,779)	18,10,58,399
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	(1,00,39,320)	1,39,39,244
Trade receivables	4,79,97,265	(2,61,85,144)
Short-term loans and advances	7,53,770	28,88,993
Long-term loans and advances	(15,22,16,095)	(30,20,18,248)
Other current assets	(1,11,539)	
Other non-current assets	(12,71,861)	(6,26,94,114)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	54,63,945	59,82,639
Other current liabilities	(1,94,12,211)	(1,67,31,471)
Other long-term liabilities	(8,59,18,337)	51,41,60,984
Short-term provisions		(5,00,13,823)
Long-term provisions	2,056,415	1,66,69,400
	(21,26,97,967)	9,59,98,459
	(29,83,37,746)	27,70,56,859

# Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Cash flow from extra-ordinary items		(22,87,57,909)
Cash generated from operations	(29,83,37,746)	4,82,98,950
Net Income Tax (paid)/refunds	(23,40,080)	(13,41,611)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(30,06,77,826)</b>	<b>4,69,57,339</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(25,75,793)	(44,84,841)
Proceeds from sale of fixed assets	112,31,08,361	158,44,32,332
Interest received		
- Others	20,46,823	66,92,318
Cash flow from extra-ordinary items		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>112,25,79,391</b>	<b>158,66,39,809</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	15,99,370	
Repayment of long-term borrowings	(88,87,78,796)	
Proceeds from other short-term borrowings	12,00,00,000	
Repayment of other short-term borrowings		(142,09,39,405)
Finance cost	(3,65,80,541)	(24,95,38,309)
Dividends paid	(16,959)	
Tax on dividend	(2,817)	
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(80,37,79,743)</b>	<b>(167,04,77,714)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,81,21,822</b>	<b>(3,68,80,566)</b>
Cash and cash equivalents at the beginning of the year	3,85,29,271	7,54,09,838
Cash and cash equivalents at the end of the year	5,66,51,094	3,85,29,271

As per our report attached

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

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May 2012

For and on behalf of the Board of Directors

Ajit G Nambiar  
Chairman & Managing Director

Manoj U Nambiar  
Chief Financial Officer

Capt. S Prabhala  
Director

Srinath Maniyal M  
Company Secretary

# Notes to Accounts

Notes attached to and forming part of the Accounts for the period ended 31<sup>st</sup> March, 2012

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 General

The financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principle in India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

### 1.2 Fixed Assets

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

### 1.3 Depreciation

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

### 1.4 Investments

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

### 1.5 Inventories

Inventories are valued as under:

Finished Goods : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

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

Goods in transit : At cost

### 1.6 Foreign Currency Transaction

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

### 1.7 Research and Development

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

### 1.8 Retirement Benefit

Contribution to recognised Provident Fund is made at predetermined rates. The company has an arrangement with Life Insurance Corporation of India to administer its Gratuity and Superannuation Schemes. The gratuity liability calculated as per Actuarial Valuation is ₹ 252.26 lakhs for existing employees and for exit employees it is ₹ 195.38 lakhs. The following table sets out the status of the plan as required under AS 15:

		(₹)	
Gratuity computations as on 31 <sup>st</sup> March, 2012			
Defined Benefit Plans - Gratuity - Funded Obligation		31.03.2012	31.03.2011
i.	Actuarial Assumptions		
	Discount Rate (per annum)	8.50%	8.00%
	Expected return on plan assets	8.00%	8.00%
	Salary escalation rate*	5.00%	5.00%
	Expected average future service (years)	19.75	20.03
ii.	Reconciliation of present value of obligation		
	Obligations at period beginning - Current	46,79,503	21,80,523
	Obligations at period beginning - Non-current	2,65,15,280	2,46,50,651



# Notes to Accounts

	Current Service Cost	10,45,237	30,70,435
	Interest Cost	26,51,557	21,46,494
	Actuarial (gain)/loss	(2,82,084)	18,74,575
	Benefits Paid	(93,82,902)	(27,27,895)
	Present value of obligation at end of the year	2,52,26,591	3,11,94,783
	Current Liability (within 12 months)	21,08,154	46,79,503
	Non-Current Liability	2,31,18,437	2,65,15,280
iii.	Change in plan assets		
	Plans assets at peiod beginning at fair value	32,18,307	29,75,781
	Expected return on plan assets	2,73,556	2,38,062
	Actuarial gain/(loss)	(11,264)	4,464
	Contributions	-	-
	Benefits settled	-	-
	Contribution for Benefits settled directly by company	93,82,902	27,27,895
	Benefits settled directly by the company	(93,82,902)	(27,27,895)
	Plans assets at period end, at fair value	34,80,599	32,18,307
iv.	Net Asset/(Liability) recognised in Balance Sheet		
	Present value of obligation at end of the year	2,52,26,591	3,11,94,783
	Fair Value of plan assets at end of the year	34,80,599	32,18,307
	Net Asset/(Liability) recognized in the balance sheet	(2,17,45,991)	(2,79,76,475)
v.	Expenses recognised in the Statement of Profit & Loss		
	Current Service Cost	10,45,237	30,70,435
	Interest Cost	26,51,557	21,46,494
	Expected return on plan assets	(2,73,556)	(2,38,062)
	Actuarial (gain)/loss recognised in the period	(2,70,820)	18,70,111
	Total expenses recognised in the Statement of Profit & Loss	31,52,417	68,48,977

The Company had discontinued the Superannuation Scheme effective November 2011. The crystallized liability under Superannuation Scheme as on 31<sup>st</sup> March 2012 was ₹ 21.60 lakhs.

## 1.9 Borrowing Cost

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

## 1.10 Revenue Recognition

Revenue in respect of sale of products is recognised when goods are supplied to customers.

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

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

## 1.11 Contingent Liability

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

- 2.1 During the course of the year, the Company has settled the Secured Loan of ₹ 100.00 lakhs of Central Bank of India along with Interest accrued and due there on and Secured Loans of ₹ 11724.25 lakhs of Peegasus Assets

# Notes to Accounts

Reconstruction Private Limited. These loans are settled out of the sale proceeds of land at Dobaspet, land at Hosur Road and the remaining

liability waived by the lenders, arising on such settlement amounting to ₹ 2959.30 lakhs has been treated as extra - ordinary income.

## 2.2 Quantitative Particulars

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

Products	Opening Stock	Closing Stock
Medical Electronics	2,850	1,416

### b. Production

Products	Installed Capacity (Nos.)	Actual production	
		2011-12 (Nos.)	2010-11 (Nos.)
Medical Electronics	20000	7334	11172

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

### c. Traded Goods

Products	2011-12		2010-11	
	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
Purchases : Medical Electronics	9759	255,942,438	13366	264,139,981

### d. Sales

Domestic				
Medical Electronics	18450	57,64,52,394	26242	76,40,39,989
Service Charges		1,63,93,552		2,72,88,015
Components, Spares Etc		19,69,73,637		13,10,73,003
		<u>78,98,19,583</u>		<u>92,24,01,007</u>
Exports				
Medical Electronics	77	39,40,595	151	64,38,914
		<u>39,40,595</u>		<u>64,38,914</u>
		<u>79,37,60,178</u>		<u>92,88,39,921</u>

## 2.3 Share Capital

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

2.3.2 1,69,58,682 Non-Convertible, Non-Cumulative 0.001% Preference Shares of ₹ 100/- each, are redeemable in four equal installments at the end of the 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> year. The

Preference Shares were allotted on 15<sup>th</sup> December, 2005.

2.3.3 The Company has instituted an Employees Stock Option Plan - BPL ESOS-2009 as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding 20,00,000 Options in the aggregate to the employees of the Company as well as that of its subsidiaries and also to non-executive

# Notes to Accounts

directors including Independent Directors of the Company and its subsidiaries at the price determined as per the SEBI (ESOS) Guidelines, 1999. The said scheme is administered by the Compensation Committee of the Board. The Company had granted 5,17,739 stock options to eligible employees and directors of the Company at an exercise price of ₹ 10/- per share, during the financial year 2009-10. The options granted under the Scheme shall vest after 12 months from the date of grant. The options vested shall be capable of being exercised within a period of 12 months from the date of vesting and the equity shares arising on exercise of options shall not be subjected to any lock-in. The options were granted to the employees at ₹ 10/- each, being the face value of the shares of the Company. In view of this, the intrinsic value on the date grant (being the excess of market price of share under the Scheme over the exercise price of the option) has been accounted by the company. Pursuant to this, the Company had issued 1,59,937 equity shares to the eligible employees and directors who exercised the vested options during the year.

- 2.4 There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 2.5 As the company has no qualifying assets as defined in Accounting Standard 16, amount of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset have not been capitalised.
- 2.6 In accordance with the provisions of Accounting Standard 17, Company has only one reporting segment viz, Electronic Industry. Segmental reporting as defined is therefore, not applicable.

## 2.7 Related Party disclosure in accordance with Accounting Standard 18:

(₹ in lakhs)

Related Parties	1	2	3	4	Total
Purchase of goods			25.91		25.91
Sale of goods			120.37		120.37
Receiving of services			90.67		90.67
Finance Transactions & Others	784.02		1180.62		1964.04
Remuneration				82.56	82.56
Net outstanding Dr/(Cr)	1935.49		(244.48)	(2.99)	1688.02

### Name of the related parties and description of relationship

1. Subsidiaries } Bharat Energy Ventures Limited
2. Joint Venture } Sanyo BPL Private Limited
3. Companies } Dynamic Electronics Private Limited  
 where Directors } Orion Constructions Company  
 have control } Private Limited  
 ER Computers Private Limited  
 Phoenix Holdings Private Limited  
 Stallion Computers Private Limited  
 Electro Investment Private Limited  
 Nambiar International Investment Company Private Limited  
 BPL Telecom Private Limited  
 BPL Techno Vision Private Limited  
 BPL Power Projects (AP) Private Limited  
 BPL FTA Energies Private Limited  
 Electronic Research Private Limited  
 NI Micro Technologies Private Limited
4. Key Management Personnel } Mr. Ajit G Nambiar  
 } Chairman & Managing Director

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

# Notes to Accounts

As Lessor: (₹ in lakhs)

	31 <sup>st</sup> March	
	2012	2011
Lease rentals recognized during the period	34.73	31.69
As Lessee:		
Lease rentals paid during the period	116.49	118.18
Lease obligations payable within one year	116.49	118.18

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

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

Unabsorbed depreciation	₹ 943,090,003
Unabsorbed carry forward business loss	₹ 6,469,021,807
Total	₹ 7,412,111,810
Deferred Tax Asset	₹ 2,404,859,677
Less: Opening Deferred Tax Asset	₹ 2,315,397,532
Deferred Tax Asset for the year	₹ 89,462,145

- 2.10 The amount provided by the company in the book of account towards gratuity is sufficient to cover the actuarial value of liability as certified by an external valuer. However, due to shortage of funds, the company is yet to fund the full actuarial liability under the scheme administered by LIC of India. Contribution to Superannuation Fund (defined Contribution Plan) is yet to be funded to LIC of India

due to shortage of funds. As per the agreement with employees, the company has no liability for payment of leave encashment to its employees.

- 2.11 The Company has obtained confirmation of balances from its debtors. The balances due to creditors including Group Companies are subject to confirmation/reconciliation.
- 2.12 Extra-ordinary item of ₹ 200.70 lakhs in the Statement of Profit and Loss represents the net effect of reduction in value of Loans & Advances (₹ 1000.41 lakhs), Provision for diminution of investments (₹ 2159.58 lakhs) and Secured Loans liability no longer required written back (₹ 2959.30 lakhs).
- 2.13 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter A40400111-CL-VII dated 24<sup>th</sup> April, 2009.
- 2.14 The revised Schedule VI has become effective from 1<sup>st</sup> April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.
- 2.15 Reconciliation of Basic and Diluted Shares used in computing Earning per Share

	31 <sup>st</sup> March	
	2012	2011
No. of shares considered as basic weighted average		
Shares outstanding	4,30,98,774	4,85,10,244
Add: Effect of Stock Options	3,41,067	5,17,739
No. of shares considered as weighted average shares and potential shares outstanding	4,34,39,841	4,90,27,983

As per our report attached

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

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2012

For and on behalf of the Board of Directors

**Ajit G Nambiar**  
Chairman & Managing Director

**Capt. S Prabhala**  
Director

**Manoj U Nambiar**  
Chief Financial Officer

**Srinath Maniyal M**  
Company Secretary

# Disclosures on Subsidiaries of the Company

Disclosures made in respect of a Subsidiary Company pursuant to the General Circular No.2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, for the year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

1.	Name of the Subsidiary	Bharat Energy Ventures Limited
a)	Capital	15694.97
b)	Reserves	55.87
c)	Total Assets	17542.99
d)	Total Liabilities	17542.99
e)	Details of Investments (except in case investment in the subsidiaries )	11586.55*
f)	Turnover	Nil
g)	Profit before Taxation	(270.67)
h)	Provision for Taxation	NA
i)	Profit after Taxation	(270.67)
j)	Proposed Dividend	NA

\* represents investment of 11,58,65,520 equity shares of ₹ 10/- each, fully paid up in BPL Power Projects (AP) Private Limited.

## Auditors' Report - on Consolidated Statement of Accounts

We have examined the attached consolidated Balance Sheet of BPL Limited as at 31<sup>st</sup> March, 2012, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period ending on date mentioned above.

These financial statements are the responsibility of BPL Limited's management. Our responsibility is to express an opinion on this financial statement based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.

a) The accounts of the following Subsidiary and Joint Venture Company have not been consolidated in view of Clause 11(b) of Accounting Standard 21:

Subsidiary : BPL Display Devices Limited (under liquidation)

Joint Venture : Sanyo BPL Private Limited (under voluntary winding up)

The impact, if any, of audit qualifications of the above companies is, therefore, not dealt with in this report.

b) The accounts of Bharat Energy Ventures Limited (a subsidiary of the company) has been considered in the Consolidated Accounts.

c) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as

per the provisions of Companies (Accounting Standards) Amendment Rules, 2008 and the guidelines issued by the Institute of Chartered Accountants of India.

d) As mentioned in Note No. 2.9 of notes attached to consolidated financial statements, the accounts Bharat Energy Ventures Limited for the year have been prepared on a going concern basis. We are of the view that the assumptions underlying going concern valuation do not continue to exist. The impact of adjustments, if any, are not quantifiable, pending ascertainment of realizable values of various assets.

e) On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of BPL Limited and its subsidiary, and subject to our comments in paragraph d) above, we are of the opinion that:

a. the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of BPL Limited as at 31<sup>st</sup> March, 2012.

b. the Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of the operations of BPL Limited for the year ended on 31<sup>st</sup> March, 2012; and

c. the Consolidated Cash Flow Statement of the consolidated cash flows of the group for the period ended on that date.

For T Velupillai & Co.,  
Chartered Accountants  
Firm Registration No.0045925

Bangalore  
30<sup>th</sup> May, 2012

M S Ram(26687)  
Partner

# Consolidated Balance Sheet

(₹)

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	3	235,55,31,450	235,80,51,734
(b) Reserves and Surplus	4	140,64,59,240	81,35,35,187
(2) Share Application Money- pending allotment		13,28,50,000	13,15,50,000
(3) Non-Current Liabilities	5		
(a) Long-term borrowings		48,00,00,000	131,47,08,650
(b) Other Long term liabilities		16,64,18,682	25,23,37,019
(c) Long term provisions		4,69,23,804	4,48,67,389
(4) Current Liabilities	6		
(a) Short-term borrowings		10,00,000	4,76,33,315
(b) Trade payables		19,40,02,084	18,77,93,700
(c) Other current liabilities		9,72,83,530	11,50,24,854
(d) Short-term provisions		19,776	19,776
Total		<u>488,04,88,566</u>	<u>526,55,21,625</u>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed assets	7		
(i) Tangible assets		26,68,99,823	72,11,15,595
(ii) Capital work-in-progress		18,89,51,367	18,89,51,367
(b) Non-Current investments	8	115,86,65,200	137,46,23,336
(c) Deferred tax assets (net)	9	240,42,49,677	231,47,87,532
(d) Long term loans and advances	10	45,69,12,940	24,00,78,683
(e) Other non-current assets	11	6,90,19,496	6,77,33,435
(2) Current Assets			
(a) Inventories	12	9,42,98,899	8,42,59,579
(b) Trade receivables	13	12,94,93,905	17,74,91,171
(c) Cash and cash equivalents	14	5,68,88,016	4,31,77,532
(d) Short-term loans and advances	15	5,49,97,704	5,33,03,395
(e) Other current assets	16	1,11,539	
Total		<u>488,04,88,566</u>	<u>526,55,21,625</u>
Contingent Liabilities and Commitments	17	49,66,14,781	48,81,94,095

As per our report attached

For and on behalf of the Board of Directors

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

M S Ram  
Partner  
M. No. 026687

Bangalore  
30<sup>th</sup> May, 2012

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary

# Consolidated Statement of Profit and Loss

(₹)

Particulars	Note No	For the year ended	
		31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
I. Revenue from operations(Gross)	18	79,37,60,178	92,88,39,921
Excise duty		2,25,43,681	2,18,49,534
Total Revenue from Operations		77,12,16,497	906,990,387
II. Other Income		75,97,78,825	139,28,38,021
III. Total Revenue (I +II)		<u>153,09,95,322</u>	<u>229,98,28,408</u>
IV. Expenses:			
Cost of materials consumed	19	26,35,54,186	30,45,37,579
Purchase of Stock-in-Trade	20	29,23,99,712	34,78,37,168
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(48,51,127)	71,77,370
Employee benefit expense	21	18,08,63,356	15,99,76,282
Financial costs	22	4,67,54,998	10,68,01,137
Depreciation and amortization expense		8,16,90,132	21,39,76,584
Other expenses	23	<u>15,73,35,385</u>	<u>16,49,14,432</u>
Total Expenses		<u>101,77,46,641</u>	<u>130,52,20,552</u>
V. Profit before exceptional and extra-ordinary items and tax (III - IV)		51,32,48,680	99,46,07,856
VI. Exceptional Items		(28,07,260)	(14,78,223)
VII. Profit before extra-ordinary items and tax (V - VI)		51,04,41,421	99,31,29,633
VIII. Extra-ordinary Items		(2,00,69,751)	(22,71,21,729)
IX. Profit before tax (VII - VIII)		49,03,71,670	76,60,07,904
X. Tax expense:			
(1) Current tax			
(2) Deferred tax		8,94,62,145	(76,37,630)
XI. Profit (Loss) from the period from continuing operations		57,98,33,815	75,83,70,274
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Share of Minority Interest		41,19,654	3,00,18,656
XIV. Tax expense of discounting operations		-	-
XV. Profit / (Loss) from Discontinuing operations (XII - XIV)		-	-
XVI. Profit / (Loss) for the period (XI + XIII+XV)		<u>58,39,53,469</u>	<u>78,83,88,930</u>
XVII. Earning per equity share:			
(1) Basic		13.5	16.3
(2) Diluted		13.4	16.1
No. of Equity Shares		4,86,70,181	4,85,10,244
No. of shares with stock option outstanding		3,41,067	5,17,739

As per our report attached

For and on behalf of the Board of Directors

for T Velupillai & Co

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30<sup>th</sup> May, 2012

Ajit G Nambiar

Chairman & Managing Director

Capt. S Prabhala

Director

Manoj U Nambiar

Chief Financial Officer

Srinath Maniyal M

Company Secretary

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>3 Shareholder's Funds</b>		
<b>Share Capital</b>		
<b>3.1 Equity Share Capital</b>		
3.1.1 Authorised Equity Share Capital : 5,50,00,000 Shares (5,50,00,000 Shares) of ₹10/- each	55,00,00,000	55,00,00,000
3.1.2 Issued, Subscribed and fully Paid-Up : 4,86,70,181 Shares (4,85,10,244 Shares) of ₹10/- each	48,67,01,810	48,51,02,440
3.1.3 There are no shares that have been issued, subscribed and not fully paid-up.		
3.1.4 Forfeited Shares	9,750	9,750
3.1.5 There are no shares reserved for issue under options and contracts /commitments for the sale of shares / disinvestment.	3,41,067	5,17,739
3.1.6 Number of Equity Shares outstanding as at the beginning of the period	4,85,10,244	4,85,10,244
Number of Equity Shares outstanding as at the end of the period	4,86,70,181	4,85,10,244
Shares issued on exercise of Employees Stock Options	1,59,937	-
3.1.7 Shares in the company held by each shareholder holding more than 5 per cent - Refer Note no. 3.6		
Total - Equity Share Capital	<u>48,67,11,560</u>	<u>48,51,12,190</u>
<b>3.2 Preference Share Capital</b>		
3.2.1 Authorised Preference Share Capital: 1,70,00,000 Shares (1,70,00,000 Shares) of ₹ 100/- each	170,00,00,000	170,00,00,000
3.2.2 Issued, Subscribed and fully paid-up: 1,69,58,682 Shares (1,69,58,682 Shares) of ₹ 100/- each	169,58,68,200	169,58,68,200
Total - Preference Share Capital	<u>169,58,68,200</u>	<u>169,58,68,200</u>
3.3 Share of Minority interest	<u>17,29,51,690</u>	<u>17,70,71,344</u>
<b>3.4 Notes on Share Capital</b>		
3.4.1 The Company has not issued any securities convertible into equity/preference shares.		
3.4.2 There are no rights, preferences and restrictions attaching to class of shares mentioned above.		
3.4.3 During any of the last five years ending 31 Mar 2006 : No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash. No shares were allotted as fully paid-up by way of bonus shares. No shares were bought back.		
3.5 Cross References to Notes under other heads - Nil		



# Consolidated Notes forming part of Balance Sheet

(₹)

## 3.6 Shareholders holding 5% and above stake in the company as on 31<sup>st</sup> March, 2012

### a) Equity Shares

Sl. No.	Name	No. of Shares	% to the total Equity Capital
1.	Electro Investment Private Limited	2,31,02,544	47.47
2.	Merino Finance Private Limited	30,77,500	6.32
3.	E R Computers Private Limited	25,51,000	5.24

### b) Preference Shares

Sl. No.	Name	No. of Shares	% to the total Preference Capital
1.	ICICI Bank Limited	65,37,837	38.55
2.	Pegasus Assets Reconstruction Private Limited	40,11,432	23.65
3.	Oriental Bank of Commerce	20,00,000	11.79
4.	Canara Bank	18,07,033	10.66

### c) Equity Shares - BEVL

Sl. No.	Name	No. of Shares	% to the total Equity Capital
1	E R Computers Private Limited	86,30,000	6.34
2	Rose Garden Housing Developers Private Limited	1,13,00,000	8.30

## 4 Reserves and Surplus

### 4.1 Reserves

Description	Balance as at 31 <sup>st</sup> March, 2011	Additions	Deductions	Balance as at 31 <sup>st</sup> March, 2012
Capital Redemption Reserve	53,33,00,000	-	-	53,33,00,000
Capital Reserve	49,800	-	-	49,800
Special Reserve	55,87,430	-	-	55,87,430
Share Premium Account	183,02,34,780	45,66,201	-	183,48,00,981
Employees Stock Options Outstanding Account	57,91,088	89,90,360	45,66,201	1,02,15,247
<b>Total</b>	<b>237,496,3098</b>	<b>1,35,56,561</b>	<b>45,66,201</b>	<b>238,39,53,458</b>

### 4.2 Surplus

Opening Surplus i.e., Balance in Statement of Profit and Loss	(234,97,97,065)			(156,14,27,911)
Add : Profit for the period as per XV of Statement of Profit and Loss	78,83,88,930			58,39,53,469
Less : Dividend on Preference Shares	16,959			16,959
Final Dividend @ 0.001 %				
Tax on Preference dividend	2,817			2,817
Closing Surplus i.e., Balance in Statement of Profit and Loss	(156,14,27,911)	-	-	(97,74,94,218)
<b>4.3 Total - Reserves and Surplus</b>	<b>81,35,35,187</b>	<b>1,35,56,561</b>	<b>45,66,201</b>	<b>140,64,59,240</b>

### 4.4 Cross References to Notes under other heads : Nil

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
<b>5 Non-Current Liabilities</b>				
5.1 Long Term Borrowings				
5.1.1 Secured				
Term Loans from Banks			1,22,83,304	
Term Loans from Other Parties			117,24,25,346	
Non Convertible Debentures	23,00,00,000			
Total - Secured Long Term Borrowings -		23,00,00,000		118,47,08,650
5.1.2 Unsecured				
Other loans and advances	25,00,00,000		13,00,00,000	
Total - Unsecured Long Term Borrowings		25,00,00,000		13,00,00,000
5.1.3 Total - Long Term Borrowings		<u>48,00,00,000</u>		<u>131,47,08,650</u>

## 5.1.4 Notes on Long Term Borrowings

Term loan from Banks ₹ Nil (₹ 11724.25 lakhs) was secured by a pledge of BPL Brand excluding BPL Brand of Colour Television and is secured by equitable mortgage by way of deposit of title deeds of immovable properties of the company in Coimbatore and residential property in Bangalore and land in Hoskote and is secured by equitable mortgage of leasehold property in Chennai and loans of ₹ Nil (₹ 100.00 Lakhs) was secured by a common pool of all the assets of the company situated at Palakkad, Doddaballapur, Dobespeth and Bommasandra and pledge of 2,26,90,000 equity shares held by the Company in Sanyo BPL Private Limited and a Personal Guarantee of the Managing Director (pending execution), ranking paripassu, with all the lenders. There has been no continuing default as on Balance Sheet date in respect of repayment of loans and interest.

## 5.1.5 Cross References to Notes under other heads : Nil

5.2 Other Long Term Liabilities				
Trade Payables	16,64,18,682		25,23,37,019	
Total - Other Long Term Liabilities		<u>16,64,18,682</u>		<u>25,23,37,019</u>
Other Loans & Advances of ₹ 23 Crores (₹ Nil) is secured by pledge of 11,58,64,820 equity shares held by the company in BPL Power Projects (AP) Pvt. Ltd.				
5.3 Long Term Provisions				
Provision for employee Gratuity / Superannuation	4,69,23,804		4,48,67,389	
Other provisions				
Total - Long Term Provisions		4,69,23,804		4,48,67,389
Total - Non-Current Liabilities		<u>69,33,42,486</u>		<u>161,19,13,058</u>
<b>6. Current Liabilities</b>				
6.1 Short Term Borrowings				
6.1.1 Unsecured				
Other Loans and advances	10,00,000		4,76,33,315	
Total - Unsecured Short Term Borrowings		10,00,000		4,76,33,315
Total - Short Term Borrowings		<u>10,00,000</u>		<u>4,76,33,315</u>

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
6.2 Trade Payables				
Trade Payables	13,62,73,627		14,29,35,409	
Due to related parties				
Others	5,77,28,456		4,48,58,291	
Total - Trade Payables		<u>19,40,02,084</u>		<u>18,77,93,700</u>
6.3 Other Current Liabilities				
Trade Deposit & Advances	2,52,82,875		2,22,95,885	
Income received in advance	1,11,08,384			
Sales Tax & Withholding taxes payable	4,66,62,792		6,69,99,325	
Employees- Salaries & Benefits	1,42,29,479		2,57,29,645	
Total - Other Current Liabilities		<u>9,72,83,530</u>		<u>11,50,24,854</u>
6.4 Short Term Provisions				
Provision for Preference Dividend	19,776		19,776	
Total - Short Term Provisions		<u>19,776</u>		<u>19,776</u>
Total - Current Liabilities		<u>9,83,03,306</u>		<u>35,04,71,645</u>

## 7 Non - Current Assets

Description	Gross Block			Depreciation				Net Block	
	As at 31 <sup>st</sup> March, 2011	Additions	Deletions	As at 31 <sup>st</sup> March, 2012	Deletions	For the year	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
7.1 Tangible assets									
Land	10,53,55,871	-	4,75,09,696	5,78,46,175			-	5,78,46,175	10,53,55,871
Buildings	38,38,88,935	-	9,90,64,318	28,48,24,617	4,84,05,879	90,81,951	13,72,27,561	14,75,97,056	20,73,37,446
Plant & Machinery	131,29,45,143	10,79,221	121,94,56,220	9,45,68,144	94,02,16,681	6,38,33,024	5,65,75,125	3,79,93,019	37,99,86,361
Computer, Equipments and Net working	9,65,92,186	11,30,181	14,48,463	9,62,73,904	14,11,105	31,36,459	8,73,48,528	89,25,376	1,09,69,012
Furniture & Fixtures	17,42,11,568	-	59,35,334	16,82,76,234	54,49,234	17,97,957	15,80,21,498	1,02,54,736	1,25,38,793
Vehicles	3,53,05,500	2,00,000	-	3,55,05,500	-	5,04,998	3,29,96,009	25,09,491	28,14,489
Research and Developmental Expt	13,39,36,050	1,66,391	-	13,41,02,441	-	5,06,043	13,23,28,471	17,73,970	21,13,623
7.2 Total - Tangible & Intangible Assets	224,22,35,253	25,75,793	137,34,14,031	87,13,97,015	99,54,82,899	7,88,60,432	60,44,97,192	26,68,99,823	72,11,15,595
7.3 Previous year	277,66,26,306	44,84,841	54,49,78,251	223,61,32,896	13,38,73,296	7,97,47,433	151,84,56,217	72,11,15,595	113,29,06,556
7.4 Capital Work in Progress								18,89,51,367	18,89,51,367
7.5 Total - Non-Current Assets (Total of 7.2 & 7.4)				87,13,97,015				45,58,51,190	91,00,66,962

7.6 Pursuant to settlement agreement with M/s. Peagasus Assets Reconstruction Private Limited, some of the assets comprising of land and building are held by them as security against indemnity obligations surviving till 29th March, 2014. Assets so secured are: Residential properties at Poonam Chambers, Mumbai, Ashok Bhavan, New Delhi, land and building at Doddaballapur Taluk, Bangalore and land and building at Somanahally Industrial Area, Mandya District.

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	No. of Shares	31 <sup>st</sup> March, 2012	No. of Shares	31 <sup>st</sup> March, 2011
<b>8 Non-Current Investments</b>				
8.1 Other Investments (Refer 8.4) (At Cost)				
Investment in Partnership Firms		3,88,04,549		3,88,04,549
Investment in Joint Ventures	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
Investments in Traded Companies - Quoted	4,15,000	1,14,93,325	4,15,000	1,14,93,325
Investments in Traded Companies - Unquoted	1,58,00,980	176,64,98,608	1,58,00,980	176,64,98,608
Total - Other Investments		<u>204,36,96,482</u>		<u>204,36,96,482</u>
8.2 Less: Provision for diminution in the value of investments		88,50,31,282		66,90,73,146
Total - Trade Investments & Other Investments		115,86,65,200		137,46,23,336
8.3 General Information				
Aggregate Value of Investments:				
Quoted at Cost				
At Market Value				
Unquoted at Cost		1,15,86,65,200		1,37,46,23,336
8.4 Details of Other Investments				
8.4.1 Investments in Traded Companies - Quoted Equity Instruments - Fully Paid - Quoted				
B S Appliances Limited :				
81,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil)	81,000	33,50,375	81,000	33,50,375
BPL Engineering Limited :				
3,34,000 Equity Shares of ₹ 10/- each, fully paid-up (Market value: Nil)	3,34,000	81,42,950	3,34,000	81,42,950
8.4.2 Investments in Traded Companies - UnQuoted Equity Instruments - Fully Paid - Unquoted				
BPL Telecom Private Limited :				
25,96,980 Equity Shares of ₹ 10/- each, fully paid-up	25,96,980	21,59,58,986	25,96,980	21,59,58,986
BPL Management Services Limited :				
89,91,000 Equity Shares of ₹ 10/- each, fully paid-up	89,91,000	8,99,09,910	89,91,000	8,99,09,910
BPL Technovision Private Limited				
1,000 Equity Shares of ₹ 10/- each, fully paid-up	1,000	10,000	1,000	10,000
Electronic Research Pvt Limited :				
35,75,000 Equity Shares of ₹ 10/- each fully paid-up	35,75,000	3,57,50,000	35,75,000	3,57,50,000

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	No. of Shares	31 <sup>st</sup> March, 2012	No. of Shares	31 <sup>st</sup> March, 2011
Kleer Industries Inc. (USA) : 87,000 Shares of 7USD each	87,000	2,05,99,443	87,000	2,05,99,443
5,50,000 Shares of 10 USD each	5,50,000	24,56,15,069	5,50,000	24,56,15,069
BPL Power Projects (AP) Private Limited 11,58,65,520 Equity Shares of ₹ 10/- each fully paid-up	11,58,65,520	115,86,55,200	11,58,65,520	115,86,55,200
8.4.3 Joint Venture Companies Equity Instruments - Fully Paid - Unquoted Sanyo BPL Private Limited : 2,26,90,000 Equity Shares of ₹10/- each fully paid-up	2,26,90,000	22,69,00,000	2,26,90,000	22,69,00,000
8.4.4 Investment in Partnership Firms Kodi Properties and Finance Wellworth Electronics		3,78,41,790 9,62,759		3,78,41,790 9,62,759

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
<b>9 Deferred Tax Assets (Net)</b>				
9.1 Assets				
Others		240,42,49,677		231,47,87,532
9.2 Net Deferred Tax asset		240,42,49,677		231,47,87,532
<b>10 Long Term Loans and Advances</b>				
10.1 Loans and advances to related parties Unsecured, considered good	45,69,12,940		24,00,78,683	
Total - Loans and advances to related parties		45,69,12,940		24,00,78,683
10.2 Total - Long Term Loans and Advances		45,69,12,940		24,00,78,683
<b>11 Other Non-Current Assets</b>				
11.1 Others (Security Deposit) Secured, considered good	6,90,19,496		6,77,33,435	
Total - Security Deposits		6,90,19,496		6,77,33,435
11.2 Total - Other Non-Current Assets		6,90,19,496		6,77,33,435
<b>12 Inventories</b>				
12.1 Valued at Lower of Cost or Realisable value				
Raw Materials	3,25,58,459		2,62,71,466	
Work in Progress	77,31,456		90,37,125	
Finished Goods	2,44,98,315		1,83,41,519	
Stores and Spares	2,95,10,669		3,06,09,469	
Total - Inventories		9,42,98,899		8,42,59,579
<b>13 Trade Receivables</b>				
13.1 Outstanding for a period more than six months from the due date of payment				
Unsecured, considered doubtful	40,67,223		14,78,223	
Less: Provision for doubtful receivables	40,67,223		14,78,223	

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
13.2 Other Trade Receivables				
Unsecured, considered good	12,94,93,905		17,74,91,171	
Total - Trade Receivables		12,94,93,905		17,74,91,171
<b>14 Cash and Bank Balances</b>				
14.1 Cash and Cash equivalents				
Cash on hand	1,41,062		1,46,962	
Total - Cash and Cash equivalents		1,41,062		1,46,962
14.2 Other Bank Balances				
includes Earmarked balances:				
Bank Balances in Current Accounts	2,42,58,645		89,70,605	
Bank Deposits with more than 12 months maturity	3,24,88,309		3,40,59,965	
Total - Bank Balances		5,67,46,954		4,30,30,570
Total - Cash and Bank Balances		5,68,88,016		4,31,77,532
<b>15 Short Term Loans and Advances</b>				
15.1 Advance payment of income tax & wealth tax (including TDS)	5,14,91,376	5,14,91,376	4,91,51,296	4,91,51,296
15.2 Deposits/Balances with Excise / Sales Tax Authorities	23,92,094	23,92,094	35,94,540	35,94,540
15.3 Loans & Advances to Employees	11,14,234	11,14,234	5,57,558	5,57,558
15.4 Total - Short Term Loans and Advances		5,49,97,704		5,33,03,395
<b>16 Other Current Assets</b>				
Interest Accrued	1,11,539		-	
Other Current Assets		1,11,539		-
<b>17 Contingent Liabilities and Commitments</b>				
17.1 Contingent Liabilities				
Claims against the company not acknowledged as debt				
Cental Excise		4,90,23,392		4,90,23,392
Customs		6,68,77,345		6,68,77,345
Service Tax		98,48,238		-
Sales Tax		17,08,65,806		17,22,93,358
Guarantees		20,00,00,000		20,00,00,000
Total		49,66,14,781		48,81,94,095

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
<b>17.2 Commitments</b>				
As per CDR Scheme, lenders have a recompense clause for economic loss due to restructuring, which would be met out of any future cash flows of the Company. It is not possible to quantify the liability, if any, that may arise.				
<b>17.3 Total - Contingent Liabilities and Commitments</b>		<u>49,66,14,781</u>		<u>48,81,94,095</u>
Other Notes to Balance Sheet				
In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet				
<b>18 Revenue</b>				
<b>18.1 Revenue from Operations</b>				
Sale of Products	77,73,66,625		89,28,04,814	
Sale of Services	1,63,93,552		3,60,35,107	
Less: Excise Duty	2,25,43,681		2,18,49,534	
Net Sales		<u>77,12,16,497</u>		<u>90,69,90,387</u>
<b>18.2 Other Income</b>				
Interest Income	20,49,192	20,49,192	66,92,318	66,92,318
Net gain / loss on sale of Fixed Assets	74,51,77,228	74,51,77,228	137,83,17,090	137,83,17,090
Other non-operating income - Net	1,20,61,941	1,20,61,941	72,95,928	72,95,928
Other than non-operating income - Net	4,90,464	4,90,464	5,32,685	5,32,685
Total - Other Income		<u>75,97,78,825</u>		<u>139,28,38,021</u>
<b>19 Raw Materials Consumed</b>				
Opening Stock	2,62,71,466		2,32,90,173	
Raw & Process Material Purchased	20,88,72,491		24,27,04,385	
Power & Fuel	76,03,824		67,53,984	
Stores, Spares & Packing Materials Consumed	5,33,64,864		5,80,60,503	
Closing Stock	(3,25,58,459)		(2,62,71,466)	
Total - Raw materials consumed		<u>26,35,54,186</u>		<u>30,45,37,579</u>
<b>20 Purchase of Stock-in-Trade</b>	29,23,99,712	29,23,99,712	34,78,37,168	34,78,37,168
Changes in Inventories				
Stock at Opening - Finished Goods	1,83,41,519		2,72,26,250	
Stock at Opening - Work in Process	90,37,125		73,29,764	
Total - Opening Stock		<u>2,73,78,644</u>		<u>3,45,56,014</u>

# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
Stock at Closing - Finished Goods	2,44,98,315		1,83,41,519	
Stock at Closing - Work in Process	77,31,456		90,37,125	
Total - Closing Stock		<u>3,22,29,771</u>		<u>2,73,78,644</u>
(Increase)/Decrease in Stocks		(48,51,127)		71,77,370
<b>21 Employee Benefits</b>				
Salaries and Wages	15,24,59,794		13,36,66,210	
Contribution to Provident and other funds	1,67,59,367		1,56,27,373	
Director's Remuneration	82,56,000		71,55,200	
Staff Welfare Expenses	33,88,195		35,27,499	
Total - Employee Benefits		<u>18,08,63,356</u>		<u>15,99,76,282</u>
<b>22 Finance Costs</b>				
Interest Expenses on Term Loans	1,28,121		8,29,98,866	
Interest on Overdraft/Other	4,39,79,302		1,98,46,548	
Other Borrowing Cost	26,47,575		39,55,723	
Total - Finance Costs		<u>4,67,54,998</u>		<u>10,68,01,137</u>
<b>23 Other Expenses</b>				
Advertisemet & Publicity	28,22,978		88,63,839	
Auditors Remuneration	8,29,919		8,16,220	
Bad Debts/Projects Written Off	11,82,824		42,73,164	
Claims to customer & other selling expenses	38,24,339		43,73,864	
Commission on Sales	49,01,585		10,91,254	
Communication Expenses	90,42,715		97,54,630	
Conveyance & Travelling	2,73,55,111		2,83,31,377	
Directors' Sitting Fees	2,05,000		2,45,000	
Discounts & Other selling Expenses	1,62,25,353		1,56,97,435	
Donations	200		32,501	
Foreign Exchange Fluctuation	9,25,980		35,885	
Freight Charges	1,21,57,537		1,27,93,441	
Insurance Expenses	46,41,720		52,58,646	
Legal & Professional charges	2,47,35,187		3,06,01,518	
Miscellaneous Expenses	14,22,692		6,95,948	
Office Maintenance	1,72,00,139		1,79,76,277	
Printing & Stationery	15,96,117		18,37,787	
Rates & Taxes	88,49,491		27,98,176	
Rent	1,63,82,206		1,62,83,744	
Repair & Maintenance - P&M	13,11,999		12,29,778	
Staff Recruitment & Training	7,63,072		5,21,275	
Vehicle Operating Expenses	9,59,220		14,02,673	
Total - Other Expenses		<u>15,73,35,385</u>		<u>16,49,14,432</u>



# Consolidated Notes forming part of Balance Sheet

(₹)

Particulars	31 <sup>st</sup> March, 2012		31 <sup>st</sup> March, 2011	
23.1 Auditors' Remuneration				
Audit Fees	5,50,000		5,50,000	
Tax Audit Fees	1,00,000		1,00,000	
Reimbursement of Expenses	35,000		35,000	
Taxation matters	5,000		5,000	
Certification Charges	50,000		50,000	
Service Tax	89,919		76,220	
Total		<u>8,29,919</u>		<u>8,16,220</u>
23.2 CIF Value of Imports				
Raw materials	5,41,94,478		5,78,85,200	
Components and spare parts	31,50,75,804		39,37,84,576	
Capital goods		<u>36,92,70,282</u>		<u>45,16,69,776</u>
23.3 Expenditure in foreign currency				
Professional and consultation fees	46,577		2,66,320	
Travelling	2,39,141		5,36,830	
		<u>2,85,718</u>		<u>8,03,150</u>
23.4 Raw Materials Consumed				
Imported	40,52,88,599		46,41,94,507	
Imported % to total		72.90		72.50
Indigenous	15,06,65,298		17,65,15,647	
Indigenous % to total		27.10		27.50
Total		<u>55,59,53,898</u>		<u>64,07,10,154</u>
Total %		<u>100.00</u>		<u>100.00</u>
23.5 Earnings in Foreign Currency				
Export of goods calculated on F.O.B. basis	-			64,38,914

# Consolidated Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before exceptional, extra-ordinary items and tax	51,32,48,680	99,46,07,856
<i>Adjustments for:</i>		
Depreciation and amortisation	7,88,60,432	21,39,76,584
Minority Interest		3,00,18,656
(Profit) / loss on sale / write off of assets	(74,51,77,228)	(137,83,17,090)
Expense on Employees Stock Option Scheme	89,90,360	57,91,088
Preliminary expenses written off		4,27,500
Finance costs	4,67,54,998	10,45,24,053
Interest income	(20,49,192)	(66,92,318)
Share of profit from partnership firms		425
Liabilities / provisions no longer required written back		22,86,21,729
Adjustments to the carrying amount of investments		
Provision for doubtful trade and other receivables, loans and advances	(28,07,260)	(14,78,223)
	(61,54,27,889)	(80,31,27,596)
Operating profit / (loss) before working capital changes	(10,21,79,209)	19,14,80,260
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,00,39,320)	1,39,39,244
Trade receivables	4,79,97,265	(2,61,85,144)
Short-term loans and advances	6,45,770	28,88,993
Long-term loans and advances	(31,68,75,726)	(35,25,95,374)
Other current assets	(1,11,539)	
Other non-current assets	(12,86,061)	(6,26,94,114)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	62,08,383	2,03,88,570
Other current liabilities	(1,77,41,324)	(1,67,31,471)
Other long-term liabilities	(8,59,18,337)	56,01,60,984
Short-term provisions		(5,00,13,823)
Long-term provisions	20,56,415	1,66,69,400
	(37,50,64,473)	10,58,27,265
	(47,72,43,682)	29,73,07,525

# Consolidated Cash Flow Statement

(₹)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Cash flow from extra-ordinary items		(22,87,57,909)
Cash generated from operations	(47,72,43,682)	6,85,49,616
Net income tax (paid) / refunds	(23,40,080)	(13,41,611)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(47,95,83,762)</b>	<b>6,72,08,005</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(25,75,793)	(44,84,841)
Proceeds from sale of fixed assets	1,12,31,08,361	158,44,32,332
Interest received		
- Others	20,49,192	66,92,318
Cash flow from extra-ordinary items		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>112,25,81,760</b>	<b>158,66,39,809</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	15,99,370	
Repayment of long-term borrowings	(88,87,78,796)	
Proceeds from other short-term borrowings	35,00,00,000	
Repayment of other short-term borrowings	(4,66,33,315)	(142,09,39,405)
Finance cost	(4,67,54,998)	(24,95,38,309)
Minority Interest		(3,00,18,656)
Advance for Share Capital	13,00,000	1,40,00,000
Dividends paid	(16,959)	
Tax on dividend	(2,817)	
Cash flow from extra-ordinary items		
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(62,92,87,515)</b>	<b>(168,64,96,370)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,37,10,483</b>	<b>(3,26,48,556)</b>
Cash and cash equivalents at the beginning of the year	4,31,77,532	7,58,26,089
Cash and cash equivalents at the end of the year	5,68,88,015	4,31,77,532

As per our report attached

for **T Velupillai & Co**

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30<sup>th</sup> May, 2012

For and on behalf of the Board of Directors

**Ajit G Nambiar**  
Chairman & Managing Director

**Manoj U Nambiar**  
Chief Financial Officer

**Capt. S Prabhala**  
Director

**Srinath Maniyal M**  
Company Secretary

# Consolidated Notes to Accounts

Notes attached to and forming part of the Consolidated Accounts for the period ended 31<sup>st</sup> March, 2012

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 General

The financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principle in India and the provisions of the Companies Act, 1956, as adopted consistently by the company.

### 1.2 Fixed Assets

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

### 1.3 Depreciation

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

### 1.4 Investments

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

### 1.5 Inventories

Inventories are valued as under:

Finished Good : At lower of cost or realisable value

Work in Progress : At cost inclusive of appropriate overheads

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

Goods in transit : At cost

### 1.6 Foreign Currency Transaction

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

### 1.7 Research and Development

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

### 1.8 Retirement Benefit

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

### 1.9 Borrowing Cost

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

### 1.10 Revenue Recognition

Revenue in respect of sale of products is recognised when goods are supplied to customers.

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

### 1.11 Contingent Liability

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

### 1.12 Basis of Consolidation

The Consolidated Financial Statements of BPL Limited and its Subsidiary - Bharat Energy Ventures Limited are prepared under historic cost convention and in accordance with generally accepted accounting principles applicable in India and Accounting Standard 21 on consolidation of financial statements issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the parent company BPL Limited for its separate financial statements. BPL Limited has not recognized its interest in the Jointly Controlled Entity since the entity is under members' voluntary winding up. No Consolidated Financial Statements of BPL Limited and its remaining Subsidiary viz BPL Display Devices Limited - under liquidation, are prepared in compliance of Clause 11(b) of Accounting Standard 21. Intra group transactions resulting unrealized profits/losses are eliminated to the extent of subsidiary's interest.

# Consolidated Notes to Accounts

## 2 NOTES ON ACCOUNTS

2.1 During the course of the year, the Company has settled the Secured Loan of ₹ 100.00 lakhs of Central Bank of India along with interest accrued and due thereon and Secured Loans of ₹ 11724.25 lakhs of Peagasus Assets Reconstruction Private Limited. These loans are settled out of the sale proceeds of land at Dobaspet, land at Hosur Road and the remaining liability waived by the lenders, arising on such settlement amounting to ₹ 2959.30 lakhs has been treated as extra - ordinary income.

### 2.2 Share Capital

2.2.1 Share Capital includes 21,930 Equity Shares of ₹ 10/- each, allotted as fully paid-up for consideration other than cash and 96,50,000 Equity Shares of ₹ 10/- each, allotted as Bonus Shares by Capitalisation of General Reserve during an earlier period

2.2.2 1,69,58,682 Non-Convertible Non-Cumulative 0.001% Preference Shares of ₹ 100/- each, are redeemable in four equal installments at the end of the 11th,12th,13th and 14th year. The Preference Shares were allotted on 15th December 2005.

2.2.3 The Company has instituted an Employees Stock Option Plan BPL ESOS-2009 as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding 20,00,000 options in the aggregate to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including Independent Directors of the Company and its subsidiaries at the price determined as per the SEBI (ESOS) Guidelines, 1999. The said scheme is administered by the Compensation Committee of the Board. The Company had granted 5,17,739 stock options to eligible employees and directors of the Company at an exercise price of ₹ 10/- per share during the financial year 2009-10. The options granted under the Scheme shall vest after 12 months from the date of grant. The options vested shall be capable of being exercised within a period of 12 months from the date of vesting and the equity shares arising on exercise of options shall not be subjected to any lock-in. The options were granted to the employees at ₹10/- each, being the face value of the shares of the Company. In view of this, the intrinsic value on the date grant (being the excess of

market price of share under the Scheme over the exercise price of the option) has been accounted by the Company. Pursuant to this, the Company had issued 1,59,937 shares to the eligible employees and directors who had exercised the vested options during the year.

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

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

2.5 Related Party disclosure in accordance with Accounting Standard 18:

Related Parties	1	2	3	Total
Purchase of goods		25.91		25.91
Sale of goods		120.37		120.37
Receiving of services		90.67		90.67
Finance Transactions & Others		1180.62		1180.62
Remuneration			82.56	82.56
Net outstanding Dr/(Cr)		(244.48)	(2.99)	(247.47)

Name of the related parties and description of relationship

- |   |  |
|---|--|
| 1. Joint Venture                          | Sanyo BPL Private Limited  |
| 2. Companies where Directors have control | Dynamic Electronics Private Limited<br>Orion Constructions Company Private Limited<br>ER Computers Private Limited<br>Phoenix Holdings Private Limited<br>Stallion Computers Private Limited<br>Electro Investment Private Limited<br>Nambiar International Investment Company Private Limited<br>BPL Telecom Private Limited<br>BPL Technovision Private Limited<br>BPL Power Projects (AP) Private Limited<br>BPL FTA Energies Private Limited<br>Electronic Research Private Limited<br>NI Micro Technologies Private Limited |
| 3. Key Management Personnel               | Mr. Ajit G Nambiar<br>Chairman & Managing Director   |

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

# Consolidated Notes to Accounts

As Lessor: (₹ in lakhs)

	Year ended	
	31st March 2012	31st March 2011
Lease rentals recognized during the period	34.73	31.69
As Lessee:		
Lease rentals paid during the period	163.82	162.84
Lease obligations payable within one year	163.82	162.84

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

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

Unabsorbed depreciation	₹ 94,30,90,003
Unabsorbed carry forward business loss	₹ 6,46,90,21,807
Total	₹ 7,41,21,11,810
Deferred Tax Asset	₹ 2,40,48,59,677
Less: Opening Deferred Tax Asset	₹ 2,31,53,97,532
Deferred Tax Asset for the year	₹ 8,94,62,145

- 2.8 Remuneration has been paid/provided to the Chairman & Managing Director based on the approval received from the Central Government vide its letter A40400111-CL-VII dated 24th April, 2009.
- 2.9 The Company's subsidiary is the principal investor and chief sponsor of the Ramagundam Project being set up by BPL Power Projects (AP) Private Limited (BPL Power). The Government of Andhra Pradesh, Energy Department has vide G.O. Ms. No. 51 dated 09.10.2009 agreed for reinstatement of the BPL

Ramagundam Project's Power Purchase Agreement (PPA) while affording increase in project capacity to 600 MW and capping the cost of project. Pursuant to directions issued under the said GO, the project received energy regulators consent for amendments to the PPA in May 2010. As directed by the AP Energy Regulatory Commission's consent letter, BPL Power and AP Discoms finalized the Amendment Agreement to the PPA and are ready to execute the same. The shareholders and the directors of BPL Power are committed to recommencing the project construction activity at the earliest possible opportunity. In view of the development as stated above, the financial statements of the subsidiary company for the year ended 31st March, 2012 have been prepared on a going concern basis. The Auditors of BPL Power in their report on accounts of that company for the financial year ended 31st March, 2008 have qualified the assumption of going concern as being contingent upon favourable outcome of efforts of that company in executing an amended PPA to carry on its business

- 2.10 Pursuant to an agreement between the subsidiary company and BPL Power, the subsidiary company has agreed to assist BPL Power in carrying out certain critical areas of work in respect of the Ramagundam Project and incurring certain expenses towards including but not limited to protecting assets at site, work related to reinstatement of PPA, reinstatement of coal linkage agreement, identifying and bringing in prospective investors, finalizing Engineering, Procurement and Construction Contracts and Operation and Maintenance Contracts and thereafter, to achieve financial closure of the project.
- 2.11 The revised Schedule VI has become effective from 1<sup>st</sup> April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report attached

for **T Velupillai & Co**

Chartered Accountants

Firm's Registration No: 004592S

M S Ram

Partner

M. No. 026687

Bangalore

30<sup>th</sup> May, 2012

For and on behalf of the Board of Directors

**Ajit G Nambiar**

Chairman & Managing Director

**Capt. S Prabhala**

Director

**Manoj U Nambiar**

Chief Financial Officer

**Srinath Maniyal M**

Company Secretary

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<b>BPL Limited</b> Regd. Office : BPL Works, Palakkad - 678 007, Kerala	<b>ADMISSION SLIP</b>
<b>48th Annual General Meeting - 12<sup>th</sup> September, 2012</b> Venue : Sri Chackra International, Krishna Gardens, Chandranagar P.O., Palakkad - 678 007, Kerala, Time : 10.00 AM	
Folio No./Client ID No. :	No. of Shares held :
Please <input checked="" type="checkbox"/> Whether	
<input type="checkbox"/> MEMBER	
<input type="checkbox"/> JOINT HOLDER	
<input type="checkbox"/> PROXY	
Member's or Proxy's Signature :	
Notes: 1. Members / Proxies must bring the admission slip duly completed and signed and hand over the same at the entrance. 2. Admission is restricted strictly for members and valid proxies only. Please bring your copy of the enclosed Annual Report. 3. Shareholders intending to require information about accounts, to be explained at the Meeting, are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.	

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<b>BPL Limited</b> Regd. Office : BPL Works, Palakkad - 678 007, Kerala	<b>PROXY FORM</b>
Folio No./Client ID No. :	No. of Shares held :
I/We,..... ..... of..... in the district of ..... being a member / members of <b>BPL Limited</b> , hereby appoint..... .....of ..... in the district of .....or failing him.....of ..... in the district of ..... as my / our proxy to vote for me / us on my / our behalf at the 48 <sup>th</sup> Annual General Meeting of the Company to be held at Palakkad on 12 <sup>th</sup> September, 2012 and at any adjournment thereof.	
Signed, this..... day of ..... 2012.	
Notes:	Signature..... <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">           Affix            30 paise            Revenue            Stamp         </div>
1. The form should be signed as per specimen signature registered with the Company. 2. The proxy form duly completed must reach the Registered Office of the Company at BPL Works, Palakkad 678 007, Kerala, atleast 48 hours before the Meeting. A Proxy need not be a member. 3. Shareholder/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.	
<b>For Office Use Only</b>	Proxy No. : _____ Date of Receipt : _____

*If undelivered, please return to :  
Investors' Service Cell*

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

Visit : [www.bpl.in](http://www.bpl.in)