

Annual Report 1999-2000

BELIEVE IN THE FUTURE.
BELIEVE IN THE B

BPL

Mission Statement

BPL is committed to achieve a leadership position in all its business groups through utilisation of the best and most appropriate technologies, applying the finest manufacturing disciplines and most efficiently marketing high quality products and services to consistently give its customers the best value for money.

GUIDING PRINCIPLES

- * To ensure customer confidence through product quality, efficient marketing and effective service.
- * To continually enhance the Company's worth to its shareholders and investors through sound investments and profitable operations.
- * To demonstrate a real concern for its employees and to constantly improve the quality and value of their jobs and career advancement.
- * To be a good corporate citizen who contributes positively to its community by protecting the environment and working for public welfare.
- * To respect the law, rules and customs of the land and to ensure that the conduct of all Company activities are always to the highest ethical standards.



TPG NAMBIAR
Chairman

Corporate Information

Board of Directors

TPG Nambiar, *Chairman*

Ajit G Nambiar, *Vice Chairman*

Viswanath Nambiar

MK Narayanan

TC Chauhan

Bharat M Mehta

LH Bhatia

PM Kale, *ICICI Nominee*

R Murali

M Sasi (*till 31.7.2000*)

Company Secretary

UN Kini

Auditors

Kumbhat & Co.,
Chartered Accountants,
Bangalore

Bankers

Punjab National Bank

Bank of Baroda

UTI Bank Limited

State Bank of Mysore

ICICI Banking Corporation Limited

ANZ Grindlays Bank

Registered Office and Works

No. 1-B, Sadaramangala Industrial Area,
Whitefield, Bangalore 560 066

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Notice of Annual General Meeting

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of B S Appliances Limited will be held on Wednesday, the 27th day of December, 2000 at 4.00 PM at Gurunanak Bhavan, No.6, Miller Tank Bund Area, Vasanth Nagar, Bangalore 560 052, to transact the following business:

ORDINARY BUSINESS

- 1 (a) To receive, consider and adopt the Balance Sheet as at 31st March, 2000, the audited Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

AND / OR

- (b) To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and the audited Profit and Loss Account for the year ended 31st March, 2000, incorporating therein the annual accounts of the Transferor Companies viz., BPL Refrigeration Limited and Alpha Securities Limited for the year ended 31st March, 2000, as per the Scheme of Amalgamation approved by the Shareholders of the respective Companies and as per the final Orders to be received from the Honourable High Court of Karnataka, together with the reports of the Directors and Auditors of the Company.

Note :

As the members are aware, the Shareholders of BPL Refrigeration Limited, BPL Sanyo Finance Limited, Alpha Securities Limited (hereinafter collectively referred to as the "Transferor" Companies) and your Company, had at their meetings held during October 1999 approved the Scheme of Amalgamation to amalgamate the Transferor Companies with your Company w.e.f. 1st April, 1999, subject to the approval of the Honourable High Court of Karnataka.

The Companies concerned have accordingly filed petitions before the Honourable High Court of Karnataka and the final Orders on amalgamation are expected shortly. Pending receipt of such final orders, the respective Companies are obliged to comply with the provisions of the Companies Act, 1956 regarding laying of Balance Sheet, Profit and Loss Account and the report of the Directors at the Annual General Meeting pursuant to the provisions of Section 210, 217 and 166 of the Companies Act, 1956. Since the Company is also obliged to serve 30 days notice to Stock Exchanges regarding Book-closure and also 21 days notice to the members regarding the Annual General Meeting, this Notice is being mailed to the members taking into account the situation prevailing on the date of issue of this notice.

On receipt of the final orders of the Honourable High Court of Karnataka approving the Scheme of Amalgamation, the accounts of the Transferor Companies have to be merged with the accounts of your Company w.e.f. 1st April, 1999. To enable such incorporation of accounts, the Company is proposing two resolutions to be considered as items 1(a) and 1(b), to be taken up for consideration at the Annual General Meeting. In the event the Honourable High Court of Karnataka does not issue Final Orders approving the Scheme of Amalgamation, before the date of the Annual General Meeting, item 1(a) will be taken up for consideration and item 1(b) will be adjourned to be considered at the adjourned meeting to be held on a date as may be decided at the time of Annual General Meeting or after giving due notice as provided in the Companies Act, 1956. If the Honourable High Court of Karnataka issues Final Orders approving the Scheme of Amalgamation well before the date of the Annual General Meeting, item 1(a) will not be taken up

for consideration and instead item 1(b) will be placed before the members for their consideration and approval.

In view of the requirements of Section 217 of the Companies Act, 1956, the report of Directors now considered will either be modified suitably or a fresh Directors' Report will be submitted by giving due notice as provided in Section 219 of the Companies Act, 1956.

Hence, it is expected that item 1(b) will be either considered on the date of Annual General Meeting or at the adjourned Meeting.

2. To appoint a Director in place of Mr. Viswanath Nambiar, Director, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. L. H. Bhatia, Director, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. M. K. Narayanan, Director, who retires by rotation and being eligible, offers himself for re-election.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT, M/s. Varma and Varma, Chartered Accountants, Bangalore, be and are hereby appointed as joint Statutory Auditors of the Company along with the retiring Statutory Auditors, M/s. Kumbhat & Co., Chartered Accountants, Bangalore, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT, in supersession of the resolution passed at the Annual General Meeting of the Company held on 20th August 1990, consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company of all the movable or immovable properties of the Company, wheresoever situated, present or future and the whole or substantially the whole of the undertaking(s) of the Company, to or in favour of all or any Financial Institutions as may be declared to be a Public Financial Institution under Section 4A of the Companies Act, 1956, or any of its subsidiaries, any State Finance Corporations any Foreign Financial Institution(s), any of the Scheduled Banks as referred to in the Second Schedule of the Reserve Bank of India Act, 1934, or any Foreign Bank(s), any Mutual Fund(s), Insurance Companies, Trustees for Debentureholders including Debentures privately placed with any Financial Institution(s)/ Mutual Fund(s)/Scheduled Bank(s) and any other person(s) or party(ies), whether Indian or Foreign, or other secured lenders (hereinafter collectively referred to as the 'Secured Lenders') to secure any financial assistance by way of Debentures, Bonds, Rupee Term Loans, Working Capital Loans, Foreign Currency Loans, Floating Rate Notes, External Commercial Borrowings, all kinds of Debt Instruments by whatever name called, and

borrowings in any other manner, aggregating a nominal value not exceeding Rs.300,00,00,000/- (Rupees Three Hundred Crores only) availed or proposed to be availed by the Company from time to time, together with interest at the respective agreed rates, additional interest, compound interest in the case of default, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company to the Secured Lenders in terms of the respective Loan Agreements, Heads of Agreements / Hypothecation Agreements / Letters of Sanction / Trust Deed / Memorandum of terms and conditions or any other document(s) entered into/to be entered into by the Company in respect of the said financial facilities and to vary or modify the existing securities already created, from time to time, in such manner and in such form on all or any of the Properties of the Company, both present and future, as may be decided by the Board of Directors of the Company and as agreed to by the Secured Lenders.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to finalise with the Secured Lenders, agreements and other documents, if any, necessary for creating the aforesaid mortgages and/or charges and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution, and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board of Directors of the Company to be in the best interest of the Company.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

RESOLVED THAT, in supersession of the Resolution passed at the Annual General Meeting of the Company held on 20th August, 1990, consent under Section 293 (1) (d) of the Companies Act, 1956, and the Articles of Association of the Company, be and is hereby accorded to the Board of Directors of the Company to borrow and raise such sums or money, from time to time, as may be required for the purposes of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed at any time the aggregate of the paid up capital and free reserves (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores only) and that the Directors be and are hereby empowered and authorised to arrange to fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever as they may deem fit.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

RESOLVED THAT, in accordance with the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs.100,00,00,000/- (Rupees One Hundred Crores only)

comprising 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 50,00,000 (Fifty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each to Rs.115,00,00,000/- (Rupees One Hundred and Fifteen Crores only) comprising of 5,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each and 65,00,000 Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each and consequently, the existing Clause V of the Memorandum of Association of the Company, relating to Share Capital, be and is hereby altered by deleting the same and substituting in its place and stead, the following as new clause V:

- V. "The Authorised Share Capital of the Company is Rs.115,00,00,000/- (Rupees One Hundred and Fifteen Crores only) comprising 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 65,00,000 (Sixty Five Lakhs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each with a power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or the Articles of Association of the Company, for the time being".

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

RESOLVED THAT, in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) and re-enactment thereof) the Articles of Association of the Company be and is hereby altered as follows;

- A. The existing Article 4 be and is hereby deleted and be substituted in its place by the following new Article :

New Article 4 :

"The Authorised Share Capital of the Company is Rs.115,00,00,000/- (Rupees One Hundred and Fifteen Crores only) comprising 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 65,00,000 (Sixty Five Lakhs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or the Articles of Association of the Company, for the time being".

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

RESOLVED THAT, in accordance with the provisions of Section 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreements entered into by

Notice

the Company with the Stock Exchanges where the Shares of the Company are listed and subject to the consent of all concerned authorities, if and to the extent necessary, and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed under the applicable laws or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to offer / issue / allot, from time to time, and in one or more tranches, 25,00,000 (Twenty Five Lakhs) Redeemable Preference Shares of Rs.100/- each, of an aggregate nominal value not exceeding Rs.25,00,00,000/- (Rupees Twenty Five Crores only) to such person or persons whether or not Shareholders of the Company, as the Board may at its absolute discretion decide, including one or more of the Members, Promoters, Financial Institutions (FIs), Mutual Funds (MFs), Non-resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Bodies Corporate and other Entities, in one or more combinations thereof, whether through Public Issue, Rights Issue, Private Placement, Preferential Allotment, Exchange of Securities, in one or more modes or combinations thereof and on such terms and conditions including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto.

RESOLVED FURTHER THAT, the Board be and is hereby authorised, on or before redemption of the Preference Shares issued pursuant to this resolution, to issue fresh shares upto the nominal amount of the shares redeemed or about to be redeemed, as if those shares had never been issued to persons and in the manner and on terms referred to herein above.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer / issue, allotment and utilisation of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient, as it may deem fit.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

RESOLVED THAT, in modification of the resolution recorded at the Court convened meeting of the Shareholders held on 22nd October, 1999, under Section 391 and all other applicable provisions of the Companies Act, 1956, approving the Scheme of Amalgamation of BPL Refrigeration Limited (BRL), BPL Sanyo Finance Limited (BSFL) and Alpha Securities Limited (ASL) with the Company, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to effect / having effected material alteration(s) to the said Scheme of Amalgamation submitted in the Honourable High Court of Karnataka including the power to exclude any Company involved in the Scheme of Amalgamation, withdraw from the

Scheme of Amalgamation, if necessary, and also to do all such acts, deeds, and things as may be considered necessary in connection therewith.

By Order of the Board

Bangalore
November 30, 2000

U N KINI
Company Secretary

Registered Office:
No.1-B, Sadaramangala Industrial Area
Whitefield, Bangalore 560 066

NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special business to be transacted at the meeting is attached herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members / Proxies should bring the Attendance Slip sent herewith duly filled in, for attending the meeting.
4. For intensive, timely and efficient audit coverage of the Company's operations, it is proposed to appoint M/s Varma & Varma, Chartered Accountants, Bangalore as Joint statutory Auditors of the Company along with the existing statutory Auditors M/s Kumbhat & Co., Chartered Accountants, Bangalore. Notice has been received from a member proposing the appointment of Joint Statutory Auditors. The Board considers that it would be in the best interest of the Company to appoint M/s. Varma & Varma, Chartered Accountants, Bangalore, as Joint Statutory Auditors.
5. The Register of Members and Share Transfer Books of the Company will be closed from 22nd December, 2000 to 27th December, 2000 (both days inclusive).
6. The Company has transferred unclaimed dividends declared upto the financial year 1994-95 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Karnataka, E-Wing, Kendriya Sadan, Koramangala, Bangalore 560 034.
7. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate holding and trading of Company's Shares in the Electronic Form. **SEBI has made it mandatory that w.e.f. 8th May 2000, the Equity Shares of the Company shall be traded in dematerialized form only.** Shareholders who are holding Shares in physical form may open a Beneficiary Account with any of the Depository Participants and dematerialize their Share Certificate(s).

ANNEXURE TO NOTICE

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

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

Item Nos.6 & 7

Under Section 293 (1) (d) of the Companies Act, 1956 the Board of Directors of a Public Limited Company cannot, except with the consent of the members in General Meeting, borrow in excess of the aggregate of the Paid up Share Capital and Free Reserves of the Company. At present, the Board of Directors of the Company are entitled to borrow upto Rs.100 crores as per the resolution passed by the members in the Annual General Meeting of the Company held on 20th August, 1990.

On Amalgamation of BPL Refrigeration Limited and Alpha Securities Limited with the Company the existing borrowings of the Transferor Companies will be transferred to your Company. In order to accommodate the existing debts of the Transferor Companies, it is proposed to enhance the existing limits of Rs.100,00,00,000/- (Rupees One Hundred Crores only) to Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crores only) in excess of the paid up Capital and Free Reserves.

Section 293 (1)(a) of the Companies Act, 1956, provides inter alia, that the Board of Directors of the Company shall not except with the consent of the members in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company.

On Amalgamation of BPL Refrigeration Limited and Alpha Securities Limited with the Company, all debts, obligations, duties and liabilities of those Companies shall stand transferred to your Company. In this connection, the Company may be required to secure such borrowings by an appropriate mortgage and / or charge on the assets of the Company as per the documents to be executed with the lenders.

Since the mortgaging and / or charging by the Company of its moveable and / or immovable properties may be deemed to be disposal of the whole or substantially the whole of the undertaking(s) of the Company within the meaning of Section 293 (1) (a) of the Companies Act, 1956, the Board considers it necessary for the members to pass a resolution to increase the existing limits from Rs.100,00,00,000/- (Rupees One Hundred Crores only) to Rs.300,00,00,000/- (Rupees Three Hundred Crores only).

The Board therefore recommends the proposed resolutions set out in Item Nos.6 & 7 of the Notice. None of the Directors of the Company is interested in this resolution.

Item Nos.8, 9 & 10

The Directors consider that for general corporate objectives it would be expedient to raise additional financial resources at appropriate time(s) by issue of further capital.

Certain Institutional / other investors have evinced interest in subscribing to Equity Shares of your Company. Investment in Preference Shares has become more advantageous and popular to Corporates and Institutional Investors consequent to the abolishment of Income Tax on dividends who are approaching the Company for investment in Preference Shares on a private placement basis. Your Directors intend to consider such proposals as and when necessary.

The existing authorised Preference Share Capital of the Company is Rs.50 Crores (Rupees Fifty Crores only). Out of which, Rs.40 Crores (Rupees Forty Crores only) is issued and Paid up. It is

proposed to issue and allot 25,00,000 Redeemable Preference Shares of Rs.100/- each, of an aggregate nominal value not exceeding Rs.25,00,00,000/- to such persons whether members of the Company or not, carrying such rate of dividend and rights, as may be determined by the Directors. Hence, it is proposed to increase the authorised capital of the Company from existing Rs.100 Crores (Rupees One Hundred Crores only) to Rs.115 Crores (Rupees One Hundred and fifteen Crores only) by creation of additional preference capital of Rs.15 Crores (Rupees Fifteen Crores only). The provisions of Section 81 of the Companies Act, 1956 provides that where it is proposed to increase the Issued Capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the Shareholders in General Meeting decide otherwise. Accordingly, consent of the Shareholders is being sought under the above referred provisions, to issue and allot Equity Shares and Redeemable Preference Shares to such persons whether members of the Company or not.

Sections 93 and 31 of the Companies Act, 1956 provide inter-alia that the alteration of Capital Clauses in the Memorandum and Articles of Association of the Company, requires the consent of the Shareholders in a General Meeting.

A copy of the Memorandum and Articles of Association of the Company proposed to be amended is open for inspection by the members during office hours at the Registered Office of the Company. Your Directors recommend the resolutions as set out in item Nos.8,9 and 10 for your approval. None of the Directors of the Company is concerned or interested in the resolution.

Item No.11

The Shareholders of the Company, BPL Refrigeration Limited (BRL), BPL Sanyo Finance Limited (BSFL) & Alpha Securities Limited (ASL), had at the Court convened meetings of the respective Companies, approved the Scheme of Amalgamation of BRL, BSFL and ASL with the Company with effect from 1st April, 1999. BRL, BSFL and your Company had also obtained the consent of the unsecured creditors to the amalgamation, at their respective Court convened meetings, besides obtaining the consent of the secured creditors, separately.

Subsequently, petitions were filed in the Honourable High Court of Karnataka for its final orders to the Scheme of Amalgamation under Section 391 of the Companies Act, 1956. Although the unsecured Creditors of BPL Sanyo Finance Limited had unanimously approved the Scheme of Amalgamation at the Court convened meeting of BSFL held on 28th October 1999, a few unsecured creditors of BSFL have now filed objections in the Honourable High Court of Karnataka for amalgamating BSFL with your Company, which has resulted in a delay in sanctioning of the Scheme of Amalgamation. Hence, the High Court has been approached to exclude BSFL from the amalgamation.

The exclusion of BSFL from the Scheme of Amalgamation will not result in any change in the Swap ratios of the Shareholders of BRL and ASL.

The Board therefore recommends the proposed resolutions set out in Item No.11 of the Notice. None of the Directors of the Company is interested in this resolution.

By Order of the Board

Bangalore
November 30, 2000

Registered Office:
No.1-B, Sadaramangala Industrial Area
Whitefield, Bangalore 560 066

U N KINI
Company Secretary