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| MD | <input checked="" type="checkbox"/> | BRC | <input checked="" type="checkbox"/> |
| CS | <input checked="" type="checkbox"/> | DPY | <input checked="" type="checkbox"/> |
| RO | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |
| TRA | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |
| AGM | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |
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ANNUAL REPORT

1997 - 98

Report Junction.com

BPL Believe in the Best

BPL REFRIGERATION LIMITED

B P L G R O U P

MISSION STATEMENT

BPL is committed to achieve a leadership position in all its business groups through utilization 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 their 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 laws, rules and customs of the land and to ensure the conduct of all Company activities will always be to the highest ethical standards.

TPG Nambiar
Chairman

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of BPL Refrigeration Limited will be held on Tuesday, the 22nd day of December, 1998 at 11.00 A.M at Gurunanak Bhavan, No.6 Miller Tank Bund Area, Vasanth Nagar, Bangalore 560 052 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Report of Directors, the Audited Profit and Loss Account for the year ended September 30, 1998 and the Balance Sheet as at that date.
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. M A Uppal, Director, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following as an Ordinary resolution:

RESOLVED THAT Mr M K Tribhuvan be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269 and 309, read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. M K Tribhuvan as the Director and Chief Operating Officer of the Company for a period of five years with effect from April 10, 1998, on the terms and conditions as set out below :

1. SALARY

Rs.50,000/- per month.

2. PERQUISITES

- A) The Director and Chief Operating Officer shall be entitled to perquisites like furnished accommodation or house rent allowance in lieu thereof, together with re-imbursement of expenses for utilisation of gas, electricity, water, re-imbursement of medical expenses and leave travel concession for self and his family including dependents, club fees, premiums towards personal accident insurance and medi-claim and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to a ceiling of Rs.4,44,000/- per annum.

EXPLANATION

Family" here means the spouse, dependent children and dependent parents of the Director and Chief Operating Officer.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

- B) The Director and Chief Operating Officer shall also be entitled to the following perquisites.

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act.

- ii) Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure to the extent the same are not taxable under the Income Tax Act.

- iii) Use of Company Car for official purposes and Telephone at residence (including payment for local calls and long distance official calls).

The Director and Chief Operating Officer shall however be entitled to re-imbursement of expenses incurred by him in connection with the business of the Company.

By Order of the Board

Bangalore
November 11, 1998

R Ravichandran
Company Secretary

REGISTERED OFFICE :

1D, Kadugodi Sadaramangala Industrial Area
Whitefield Road, Whitefield
Bangalore - 560 066

NOTES

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business under Item No.5 as set out above is annexed.
2. 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 A 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 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
3. Members / Proxies should bring attendance Slip sent herewith duly filled in for attending the Meeting.
4. The Register of Members and the Transfer Books of the Company will remain closed from December 15, 1998 to December, 22, 1998 (both days inclusive).
5. 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.
6. 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.
7. The Shareholders are requested to communicate all their correspondence including share transfer matters to:

Investors' Service Cell
 BPL Refrigeration Limited
 'BPL PLAZA'
 No.82/1, Richmond Road
 Bangalore 560 025
 Phone Nos: 080 - 2275997/2276282/2211726
 Fax No. 080 - 2990514 **OR**

Alpha Systems Private Limited
 Unit - BPL Refrigeration Limited
 No.30, Ramana Residency
 Ground Floor, 4th Cross
 Sampige Road, Malleswaram,
 Bangalore 560 003
 Phone Nos: 080 - 3460815 to 3460818
 Fax No. 080 - 3460819

ANNEXURE TO THE 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 NO. 5

Mr. MK Tribhuvan had joined the Company on 12th December, 1996 as the Chief Operating Officer. In view of his consistent performance, he was co-opted as an Additional Director and designated as the Director and Chief Operating officer with effect from 10th April, 1998 for a period of five years i.e., upto 9th April, 2003 by the Board of Directors, at their meeting held on 10th April, 1998 on the terms of remuneration as set out in the resolution at Item No.5. The remuneration payable to him is the minimum remuneration in terms of Schedule XIII to the Companies Act, 1956, in respect of Companies with inadequate profits and hence the permission of Central Government is not required for the same. However, the same requires to be consented to by the shareholders in the General Meeting.

Mr MK Tribhuvan, aged 44, holds a degree in Mechanical Engineering from the Indian Institute of Technology, Mumbai and an MBA from the Indian Institute of Management, Calcutta. Having worked for over two decades in heavy and light Engineering Industries, he possesses rich experience in all functional areas of business.

Your Directors recommend the resolution set out in Item No.5 for your approval. None of the Directors of the Company, except Mr. Tribhuvan, may be considered to be concerned or interested in the resolution.

By Order of the Board

Bangalore
 November 11, 1998

R. Ravichandran
Company Secretary

REGISTERED OFFICE :

1D, Kadugodi Sadaramangala Industrial Area
 Whitefield Road, Whitefield
 Bangalore - 560 066

A N N U A L R E P O R T

1997-98

BPL REFRIGERATION LIMITED

BOARD OF DIRECTORS

TPG Nambiar, *Chairman*

Ajit G Nambiar, *Vice-Chairman*

KPR Nambiar

MA Uppal

Viswanath Nambiar

Rajeev Chandrasekhar

TC Chauhan

R Venkataraghavan, *ICICI Nominee*

MK Tribhuvan - *Director & Chief Operating Officer*

AGM (F&A) & COMPANY SECRETARY

R Ravichandran

AUDITORS

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

BANKERS

State Bank of India
Union Bank of India
State Bank of Mysore
Bank of Baroda
Credit Lyonnais
Citibank NA

REGISTERED OFFICE

1D, Kadugodi Sadaramangala Industrial Area
Whitefield Road, Whitefield, Bangalore 560 066

FACTORIES

MOULDING & TOOL ROOM COMPLEX
1D, Kadugodi Sadaramangala Industrial Area
Whitefield Road, Whitefield, Bangalore 560 066

N H Bye Pass Road, Chandranagar, Palakkad 678 007

REFRIGERATOR PLANT

1A, Kadugodi Sadaramangala Industrial Area
Whitefield Road, Whitefield, Bangalore 560 066

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Eleventh Annual Report on business and operations of the Company together with the audited statement of accounts for the period ended 30th September, 1998.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

| | Period ended 30.09.98 (18 months) | Period ended 31.03.97 |
|---|---|--------------------------|
| Sales | 27093.42 | 23767.10 |
| Profit before Financial Expenses & Depreciation | 1367.19 | 3019.55 |
| Financial Expenses | 4264.17 | 1799.62 |
| Depreciation | 1252.63 | 701.68 |
| Profit/Loss(-) for the year | (4149.61) | 518.25 |
| Add : Profit & Loss account surplus brought forward | 170.34 | 378.16 |
| Profit/Loss(-) available for appropriation | <u>(3979.27)</u> | <u>896.41</u> |
| Appropriations : | | |
| Debenture Redemption Reserve | - | 300.00 |
| General Reserve | - | 100.00 |
| Proposed Dividend | - | 296.43 |
| Provision for Dividend Tax | - | 29.64 |
| Balance carried over | <u>(3979.27)</u> | <u>170.34</u> |
| | <u>(3979.27)</u> | <u>896.41</u> |

OPERATIONS

During the first twelve months of the period commencing 1st April 1997, the refrigerator market shrunk and registered lower sales as compared to the previous year. As a result, there was a significant drop in the turnover of your Company during this period. The Company had to struggle to retain its market share in the face of hostile competition from Korean Multinationals who were dumping their goods in the Indian market. The combined effect took a severe toll on the bottom lines of your Company during this period. The accounting year was then extended by another six months till September, 1998.

Major cost cutting moves were initiated towards reduction in manpower and administration costs. In the following six months, from 1st April 1998 till 30th September 1998, your Company has bounced back aggressively in the market with successive new model launches, enhanced features and value engineered designs, to give lower prices, resulting in a sharp growth of 86.2% in sales volume as compared to the corresponding period of the previous calendar year and a steep cut in the losses. The new models introduced during the above period are the 310 litre model with 2-door, 200 litre model with 2-door and 220 litre conventional model with a single door.

DIVIDEND

Since the Company has not made any profit during the period under review, your Directors have not recommended any dividend.

FUTURE OUTLOOK

The period 1997-98 was a difficult one for several segments of Indian industry, especially consumer durables, due to several factors, the primary one being lack of purchase sentiment. Price wars in the market prompted by the entry of Multinationals had further aggravated the situation. This sluggishness had persisted throughout the 12 months commencing from 1st April, 1997. However, the last six months of the period beginning 1st April, 1998 have shown a definite improvement in market sentiment and it is expected that the demand will continue to remain bullish and grow at 20% p.a. in the months to come. Your Company is committed to maintain its leadership in the frost-free category while increasing its presence in the conventional segment of the market.

Your Company stands well poised to capitalise on the demand growth through aggressive innovation and introduction of new models with value added features and consistently deliver value for money to the customer. Efforts are under way to instill and improve world class culture in all the operations of the Company while continuously cutting down costs and improving productivity. Modern Management techniques such as just-in-time manufacture are also being ushered in. The business process is being re-engineered to install a flat organisation structure with excellent response time. All this can only lead to your Company firmly retaining