




BPL LIMITED

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ANNUAL REPORT 1996 - 97

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of BPL Limited, will be held on Wednesday, the 17th September, 1997 at 10.00 AM, at Shree Parvathi Mandapam, Palakkad 678 007, Kerala, 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 31st March, 1997 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr MA Uppal, 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 a Director in place of Mr TC Chauhan, who retires by rotation, and being eligible, offers himself for re-election.
6. 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

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

RESOLVED that pursuant to the provisions of Section 372 of the Companies Act, 1956, and subject to the approval of the Central Government, Reserve Bank of India and any other applicable approvals, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company for making additional investments by way of acquisition of equity shares from resident Indian shareholders or by way of allotments, in the equity share capital of Kleer Industries Inc., USA, notwithstanding that such investment may be in excess of the percentage as specified under Sub-Section (2) of the said Section 372 and the proviso thereto, of the Companies Act, 1956, and the Board of Directors, be and is hereby authorised to determine the actual sums to be invested not exceeding US\$ 2,500,000 (United States Dollars, two and a half million) in the aggregate 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 an Ordinary Resolution :

RESOLVED that in pursuance of the Order passed by the Board for Industrial & Financial Reconstruction (BIFR) in case No.55/93 on 18th April, 1996, consent of the Company be and is hereby accorded for the investment of Rs. 17 Crores made by the Company in the capital of Uptron Colour Picture Tubes Limited (UCPTL) and the Board of Directors of the Company be and is hereby authorised to make further investments by way of equity/loans or in any other manner whatsoever, as they may deem fit from time to time, not exceeding Rs. 75,00,00,000/- (Rupees Seventy Five Crores only), and to settle all questions and matters arising out of and incidental thereto.

By order of the Board

Bangalore
June 18, 1997

AR Rajaram
Company Secretary

REGISTERED OFFICE
BPL Works,
Palakkad 678 007, Kerala.

NOTES :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item Nos.7 & 8 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 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.
3. Members/proxies should bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from 2nd September, 1997 to 17th September, 1997 (both days inclusive).
5. Shareholders are requested to encash dividend warrants immediately on their receipt, as dividends remaining unclaimed for three years are required to be transferred to the General Revenue Account of the Central Government pursuant to provisions of the Companies Act, 1956, and

the claims to such dividend amounts will have to be preferred to the Registrar of Companies, Kerala, M.G. Road, Ernakulam, Cochin 682 001. Accordingly, the unclaimed dividends in respect of the following years are being transferred to the Central Government against the dates mentioned below :

FINANCIAL YEAR	DUE DATE FOR TRANSFER
1993-94	5th November, 1997
1994-95 (Interim)	5th March, 1998
1994-95 (Final)	13th October, 1998
1995-96	13th November, 1999

On request, the Company shall furnish the detailed procedure for claiming the unclaimed dividend from the Registrar of Companies, Kerala.

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. Shareholders are requested to communicate all their correspondence including Share Transfer matters to :

*Investors' Service Cell, BPL Limited, Dynamic House,
No. 64, Church Street, Bangalore 560 001.
Phone No. 080-5588388, Fax No. 080-5598969.*

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.7

The Company is exporting state-of-the-art Computer Monitors to Kleer Industries Inc., USA, and holds a stake of 29% in the said Company. In order to exercise control over the affairs of the said Company, your Directors consider it necessary to increase its' stake and make that Company a subsidiary of your Company. The export of Computer Monitors is gradually increasing and your Directors expect that the Company will do well in this field. Since, the proposed investment will be in

excess of percentage specified in Section 372 (2) of the Companies Act, 1956, sanction of the Company in General Meeting is therefore sought for the same. The proposed investment shall however be subject to the approval of Central Government, the Reserve Bank of India and other approvals, as may be necessary. The Directors commend the resolution to the Members.

Apart from Mr TPG Nambiar and Mr Ajit G Nambiar who are also Directors of Kleer Industries Inc., USA, none of the Directors is interested or concerned in this Resolution.

ITEM No.8

Upton Colour Picture Tubes Limited (UCPTL) which was referred to the Board for Industrial and Financial Reconstruction (BIFR), was awarded to the Company by way of the final Order passed in case No. 55/93 dated April 18, 1996. Pursuant to the above Order, the Company was to acquire majority holding in the equity of UCPTL, besides other commitments as laid down under the said Order. The Company is required to meet the additional commitments either by way of equity or loans in future. The investments in the equity of UCPTL does not attract the provisions of Section 372 of the Companies Act, 1956, by virtue of the BIFR Order. Your Company is already holding 80% in the equity of UCPTL.

The aforesaid investment in UCPTL will be beneficial for the Company as it would help to meet the requirements of Colour Picture Tubes (CPTs) which is a critical and high value component representing 40% of the raw material cost of a Colour Television. The investment in UCPTL as a majority stake holder would provide an opportunity to your Company to exercise control over regular CPT supplies. Hence, the Directors consider it expedient to invest in UCPTL in accordance with the Order of BIFR. Members' approval is sought for the investment upto a sum not exceeding Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) including the investment already made in UCPTL.

Mr TPG Nambiar, who is also a Director in UCPTL may be deemed to be interested or concerned in the Resolution. None of the other Directors of the Company is concerned or interested in the Resolution.

By order of the Board

Bangalore
June 18, 1997

AR Rajaram
Company Secretary

REGISTERED OFFICE
BPL Works,
Palakkad 678 007, Kerala.

B P L G R O U P

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 their money.

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	NA		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓

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

COVER DESIGN

The cover design represents a digital image created using advanced computer technology and attempts to communicate the BPL Group's commitment to innovation, dynamism and its presence in all frontier emerging technologies.



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

1996 - 97

BPL LIMITED

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THE FIRST QUARTER

By the time this report reaches you, the company will have finished its working for the first quarter of 1997-98. Sales (provisional) for the first quarter of 1997-98 were around Rs.325 cr; compared with the previous year's corresponding figure of Rs.253 cr, this reflects an increase of 28 per cent (by value). The management has outlined a target to achieve a return on capital employed of 22 to 26 per cent on its total capital employed during 1997-98. As per the trend in the first quarter, the target appears achievable.

NEXT RESULTS

The company expects to announce its unaudited working for the first half of 1997-98 in November 1997; the audited results for the full financial year of 1997-98 will be made public in June 1998.



CORPORATE DESCRIPTION

BPL Limited is the flagship company of the Rs.2600 cr (1996-97 turnover of the five listed companies is Rs. 2050 cr.) BPL group, India's largest consumer electronics conglomerate. The group has a longstanding strategic alliance with Sanyo (Japan) for a variety of consumer durables.

BPL Limited has a principal presence in the manufacture and sale of colour TV sets. It is the largest producer of CTVs in India with a market share of 31 per cent (1996-97). The company also produces black-and-white TV sets, alkaline batteries and gas tables. In 1996, the company acquired control of Uptron, one of the largest colour picture tube manufacturers. The integration in operations from 1997-98 is expected to increase BPL Limited's competitive edge. BPL Limited also intends to expand aggressively over the next couple of years to increase its global thrust.

BPL brand, under which the company's products are sold, is one of the most visible and recognisable in the country, inspiring an immediate and confident recall.

The company registered a turnover of Rs.1286.58 cr for 1996-97 and a post-tax profit of Rs.48.47 cr on an equity of Rs.26.93 cr. Market capitalisation of the company stood at around Rs.105 cr as on 31st March 1997. The promoters of the company hold 67 per cent of the equity. The company's shares are actively traded on the Mumbai, Bangalore, Delhi, Calcutta, Kochi, Ahmedabad and National Stock Exchanges.

HIGHLIGHTS OF 1996-97

- Sale of TVs crossed One Million.
- Only Indian Brand to post increase in Sales. Against industry growth of 3% in CTVs, BPL grew by 14%.
- Average realisation on a CTV up by Rs.444(US\$ 12.36) at Rs. 14,398 (US\$ 400.95).
- The state-of-the-art Alkaline Battery factory commenced production and the Batteries exported to JAPAN.
- Gained management control over Uptron Colour Picture Tubes Limited. Thus 90% of CTV components directly controlled.
- Sales Rs.1286.58 Crores (US\$ 358.28 Million) – 9.35% increase in sales.
- Operating Profit (OPBDIT) – Rs.97.80 Crores (US\$ 27.23 Million) – Growth of 12.32%,
- Total Assets – Rs.665.11 Crores (US\$ 185.22 Million).

FIVE YEARS' FINANCIAL SUMMARY

	31.03.97	31.03.96	31.03.95	31.03.94	Rs. in Crores 31.03.93
PROFIT & LOSS ACCOUNT					
Sales	1286.58	1176.56	839.16	554.65	451.82
Other Income	4.02	3.81	7.21	0.40	4.19
OPBDIT	97.80	87.07	78.63	50.01	28.60
Depreciation	10.84	7.72	5.57	3.49	5.51
Interest	25.68	18.52	11.67	14.02	14.60
Profit before Tax	61.28	60.83	61.39	32.50	8.49
Profit after Tax	48.47	47.33	48.39	26.44	7.68
Earning Per Share (in Rs.)	18.02	17.61	19.30	15.03	10.57
Dividend Per Share (Rs.)	3.00*	3.00*	3.00*	2.50	2.20
BALANCE SHEET					
Fixed Assets	304.26	165.78	87.85	60.04	47.29
Investments	67.40	50.31	43.26	18.86	0.01
Net Current Assets	293.45	272.81	155.59	83.60	50.81
Misc. Expenditure	13.27	11.85	9.89	5.66	-
	<u>678.38</u>	<u>500.75</u>	<u>296.59</u>	<u>168.16</u>	<u>98.11</u>
Share Capital	26.93	26.93	26.65	17.60	17.60
Reserves & Surplus	271.35	230.98	188.38	76.74	26.27
Loan Funds	380.10	242.84	81.56	73.82	54.24
	<u>678.38</u>	<u>500.75</u>	<u>296.59</u>	<u>168.16</u>	<u>98.11</u>

*Pro- rata