



Believe in the Best

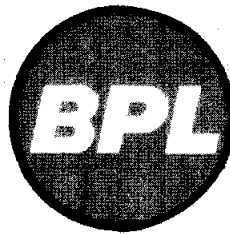
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BPL Limited
ANNUAL REPORT 2001-2002
Annual Report 2001-2002

BELIEVE IN THE BEST.

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Believe in the Best

**The No. 1 Durables Brand
in India.**

BPL : The No.1 Durables Brand

The Economic Times - Brand Equity Survey of India's

Most Trusted Brands

DESI HITS		
Durables Rankings		
Brand	2002	2001
BPL	1	3
Godrej	2	1
HMT	3	2
Philips	4	4
Titan	5	5
Sony	6	8
Videocon	7	6
VIP Luggage	8	7
Asian Paints	9	NA
Onida	10	9

Source : The Economic Times - Brand Equity, 14th August, 2002

- ❑ The "Most Trusted Brands" survey aims to identify the brands that bond with consumers. They are not just the brands that are most familiar, they are the ones that consumers believe provide quality and reassurance.
- ❑ The study commissioned by The Economic Times, conducted by premier research agency ORG-MARG, is the largest of its kind in India with a sample of over 4000 consumers, distributed across socio-economic class, age, income and geography.

The Brand attributes measured in the study are:

- Quality
- Value for Money
- Intention to Buy
- Current & Future Popularity
- Uniqueness
- Confidence & Pride
- Special/Unique Feelings & Associations.

BPL : The "Most Preferred Colour TV Brand"

- Consumer Outlook 2002 Study

- The 'Consumer Outlook 2002' Study, conducted by KSA-Technopak for CETMA (Consumer Electronics and TV Manufacturers' Association), across 10,000 households in 20 cities, has rated BPL as the strongest and most preferred Colour TV Brand.
- On "brand preference", BPL is rated as the strongest Colour TV brand with a 37% score on "Intention to buy".

Colour TV Preference Shares	
BPL	37%
LG	12%
Samsung	9%
Onida	9%
Philips	9%
Videocon	8%

Source : Consumer Outlook 2002 Study

BPL is the leading brand across consumer categories - SEC A & B, metro and non-metros.

In the Flat TV segment, BPL is considered for purchase by 26% of customers, compared to 25% for Samsung and 21% for LG.

BPL's "consumer promotions" were rated as the best in the industry.

For "attractiveness of in-shop display", BPL sets the benchmark with 22% rating in the best.

Brand People Love...

...The only brand to cross sales of "One Million TVs"
for three consecutive years.

...The No.1 Colour TV Brand in marketshare.

- ORG-GFK Retail Audit, April 2001 – March 2002.



...The "most preferred" Colour TV Brand with the "highest
intention to buy".

- Consumer Outlook 2002 Study by KSA-Technopak for CETMA.

...The "No. 1 Consumer Durables Brand".

- The Economic Times, Brand Equity Survey, August 2002.

From the Chairman & Managing Director

The rules of business are changing - fast and frequent. Each day brings on new technology, a new ally, competitor, or a new way of working. Driven by speed, adaptability, knowledge and innovation, business is going to be like never before.

BPL Limited is drawing out decisive initiatives to play a central role in this transformation of business. We are going to focus on the areas that will directly change people's lives. We are going to be in markets, where the transformation is going to be critical.

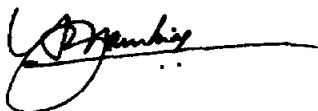
Sure, there will be hyper competition. But there is something distinct that is going to make us special: the BPL Brand, straddling our various businesses.

We recognise the power of creating a strong, consumer relevant brand. We have the ability to leverage the brand for creating competitive advantage. We have an organisation totally focussed on the marketplace and responsive to customers. We have people with a sense of ownership and a passionate commitment to excel and win. A structure more nimble and flexible to capitalise on emerging opportunities and respond to challenges.

As a true manifestation of our inherent strengths, we are delighted to be named as "The No.1 Consumer Durables Brand" in The Economic Times, Brand Equity Survey on India's Most Trusted Brands, August 2002.

We take this opportunity to thank all our stakeholders - employees, dealers, shareholders and business associates - for their contribution to this achievement and for their deep sense of commitment.

Believe in the Best.



Ajit G Nambiar

Highlights

ENTERTAINMENT ELECTRONICS

- ▶ The only Company in the country to cross the "1 Million" mark, for Television sales for the third year in succession.
- ▶ BPL's sales during the month of November, at 1,30,000 units, was the highest by a single brand in the history of the industry.
- ▶ In the 14", 20", 21" and the 25" TV segments, contributing to approximately 98% of the market, BPL remains the undisputed leader.
- ▶ BPL was the most aggressive in new product introductions in the 14", 20", 21" and 29" TV segments during the year.
- ▶ Studio Line 21, the world's first TV with 1000 W of sound output, was launched.
- ▶ BPL introduced the country's first integrated Home Theatre solution with 4000 W PMPO output.
- ▶ AV Max rated Studio Line 21 and Studio Line 29 as the "Best Buy" in their respective categories.
- ▶ ISO 14000 certificate awarded to Old Madras Road factory, Bangalore in recognition of compliance of environment management systems in place.

HOME APPLIANCES

- ▶ BPL achieved a market share of 3% in Direct Cool Refrigerators, 10% in Frost-Free Refrigerators and 6% in Washing Machines.
- ▶ Achievement of nearly 200% growth in volume sales, for the period of October, 2001 to March, 2002 (i.e. post integration of sales and service) ensured a marginal 4% growth in financial year 2001-02 over the previous year for Home Appliances.
- ▶ BPL launched a new range of Direct Cool Refrigerators to address the 85% of the refrigerator market.
- ▶ BPL re-launched the 3-door Refrigerator in the Frost-Free segment, the only one of its kind in India.
- ▶ Development of cost-effective Direct Cool and Semi-Automatic Washing Machines were made to increase BPL's market share in these categories.
- ▶ Improvement in OEM sales volumes.

HEALTH CARE

- ▶ An all time high production volume, 1104 units and sales of Rs.498 lakhs accounted in March 2002.
- ▶ Service revenue shot up to Rs.193 lakhs in the same period.
- ▶ Orders placed for a variety of equipment, by the Andhra Pradesh Government and Indian Airforce.

SOFT ENERGY

- ▶ Despite a 23% decline in the domestic market for Alkaline batteries, BPL consolidated its position with market shares rising to an all time high of 35.7%.
- ▶ BPL introduced low priced Alkaline Cell branded as BPL Powercell Alkaline (developed in-house) in the domestic market.

INTERNATIONAL OPERATIONS

- ▶ Major efforts to diversify the customer and currency base became possible, resulting in exports to USA.
- ▶ An agreement with Eastman Kodak Company, USA for supply of Alkaline batteries to them for both exports and domestic requirement has been acquired.
- ▶ Major growth in Colour TV chassis exports to Slovenia - exported around 64,000 units valued at around Rs.12 Crores.
- ▶ Commenced initial exports to Iranian market with Persian On-Screen-Display Colour TVs.

Performance

- Consolidate Colour Television leadership and increase marketshare to 21%.
- Target the top 7 metros, which have a 18.3% penetration of Colour TVs, for the high-end range of TVs.
- Utilise the opportunities in the rural markets, which have low penetration at 6%.
- Create custom-made ranges to address the low-income segments.
- Continue to expand the Digital Products portfolio.

- Focus on the major appliance categories of Refrigerators and Washing Machines.
- Cater to this mass market, high volume segment of Direct Cool Refrigerators.
- Drive sales and improve market share in Direct Cool Refrigerators to 8%.
- Aesthetically improve the complete range of Frost-Free Refrigerators.
- Target a market share of 15% in Frost-Free Refrigerators.
- Aim to achieve a market share of 12% in Washing Machines during 2002-2003.

Report Junction.com

- Achieve a value growth of 60% and be a dominant player in the entire range of products.
- Enhance share of business from the Government sector, at least upto 20%.
- Improve efficiency in manufacturing processes and reduce RMC.
- Obtain ISO Certification and Quality Certification and regulatory approvals.
- Pursue exports vigorously.
- Retain marketshare of 36.5% with high quality and performance standards, using the help of renowned experts in the field of Alkaline battery manufacturing and material chemistry.
- Diversify customer base through increased focus on exports.
- Examine opportunities with large retail chains in Europe and the US.
- Aim for 100% increase in export turnover.
- Consolidate and grow volumes with leading OEMs for Colour TVs and Appliances in Middle East and Europe.
- Major thrust for Colour Picture Tube business in CIS market.

Review by Quarter 2001-2002



FIRST QUARTER

- Sales and service teams merged and the teams aligned along product lines - Consumer Electronics, Home Appliances, Soft Energy and Medical Electronics.
- BPL Prima 21, which was launched to target the entry-level category, received a good market response. On the other hand, BPL Aura was launched in 3 colours.
- Studio Line 21, the world's first and only TV with 1000 W sound output delivered through a 7-speaker system, generated excellent market response. It was also rated as the 'Best Buy' in its category by AV Max magazine.
- An aggressive plan, on strategic sourcing from tax-free zones, was initiated by Entertainment Electronics Business Group.
- The Balanced Score Card was developed for Home Appliances, to enable uniform restructuring activities.
- International Operations clinched a large order for Colour Picture Tubes from the European market.

SECOND QUARTER

- The Loewe range of premium televisions was launched in collaboration with Loewe, AG of Germany.
- The BPL Matrix range of televisions strengthened with the launch of KER - 15" and NER - 29" Flats.
- BPL's World Space Receiver, Celeste, launched.
- In the commercially critical 21" segment, 3 models of TVs were launched - FEV, FGR and FDV.
- Home Appliances Business reduced its inventory and receivables to 45 days as against industry average of 90 days and above.
- A new Direct Cool Refrigerator model, in 170-litre capacity, was launched.
- An all-new improved model in 5-kg Semi-Auto Washing Machines was also launched.
- The Health Care Business successfully completed test marketing of Nebulisers.
- Home Appliances received major orders from Saudi Arabia.

