



BPL SANYO TECHNOLOGIES LIMITED

.....

ANNUAL REPORT 1996 - 97

Believe in the Best

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 Sixteenth Annual General Meeting of the Members of BPL Sanyo Technologies Limited, will be held on Wednesday, the 17th September, 1997 at 4.00 P.M., at Shri Parvathi Mandapam, Chandranagar, Palakkad 678 007, Kerala, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Viswanath Nambiar, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Shri KS Jayanth Kumar, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of the Sixteenth Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Directors for the time being, such of them, as the Board shall pursuant to these articles decide, shall not for the time being be liable to retire".

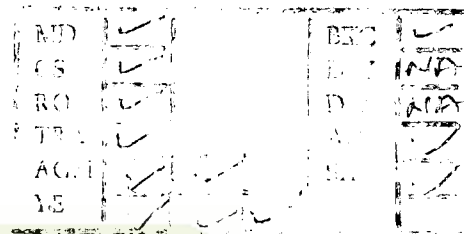
By order of the Board

Bangalore
June 23, 1997

Srinath Maniyal M
Company Secretary

REGISTERED OFFICE

Audio House,
7/711, N H Bypass Road,
Palakkad 678 007.



SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following Resolution:

(Proposed as a Special Resolution)

5. Resolved that the Articles of Association of the Company be altered by inserting at the end of Article 42.b of the Articles of Association of the Company, the following new Article 42.c:

"Subject to the provisions of the Companies Act, 1956, a Managing Director or a Wholtime Director shall not be liable to retire by rotation as long as he holds office as Managing Director or Wholtime Director. Provided that if at any time, the number of Directors (including Managing Directors, Wholtime Directors and Nominee Directors) as would not by these articles be subject to retirement by rotation shall exceed one-third of the total number of

NOTES

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, pertaining to special business contained in Item 5 of the Notice, is annexed hereto.
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 such a proxy need not be a member. Proxies, in order to be effective, must be received by the company not less than fortyeight hours before the meeting. Proxies, once issued will hold good for any adjournment of this Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 2nd September, 1997 to Wednesday, the 17th September, 1997 (both days inclusive).
4. Members are requested to notify any change in their address immediately to the Company's Investors' Service Cell at 1/1, Palace Road, IV Floor, Bangalore 560 001.
5. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company will transfer during October, 1997, unclaimed dividend relating to the year 1993-94 to the General Revenue Account of the Central Government. Members who have a valid claim, are requested to claim the dividend from the company for that year immediately.

The unclaimed dividends for the years 1991-92 and 1992-93 declared on 24th September, 1992 and 23rd September, 1993 have been transferred to the Central Government Account. The concerned members may claim the dividend from the Registrar of Companies, Kerala, M.G. Road, Ernakulam, Cochin 682 011.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM No. 5

The Articles of Association of the Company does not specifically provide for non-rotation of Directors liable to retire in respect of the Working Directors of the Company. However, as the Working Directors have been appointed for a specified term, it would be an anomaly for them to retire by rotation. It is also a practice in all the Companies that Working Directors like Managing Director and other Wholtime Directors do not retire by rotation. It is accordingly intended to amend the Articles of Association of the Company specifically to provide for the non-rotation status to the Working Directors of the Company while they are in the service of the Company, which would be subject to the provisions of the Companies Act, 1956.

Shri MA Uppal and Shri Shashi Nambiar are interested individually in the resolution insofar as the same relates to them as the working directors.

A copy of the 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.

The Board recommends the above resolution for members approval.

By order of the Board

Bangalore
June 23, 1997

Srinath Maniyal M
Company Secretary

REGISTERED OFFICE
Audio House,
7/711, N H Bypass Road,
Palakkad 678 007.

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

1996-97

BPL SANYO TECHNOLOGIES LIMITED

BOARD OF DIRECTORS .

TPG Nambiar, *Chairman*

AK Sivaramakrishnan Upto June 23, 1997

Viswanath Nambiar

TC Chauhan

KS Jayanth Kumar

Amitabh Kant, *Nominee KSIDC*

M Parameswaran, *Nominee UTI*

PJV Sarma, *Nominee ICICI*

Shashi Nambiar, *Executive Director*

MA Uppal, *Managing Director*

COMPANY SECRETARY

Srinath Maniyal M

AUDITORS

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

BANKERS

Indian Bank
Bank of Baroda
State Bank of Travancore
Canara Bank
Citibank N A
American Express Bank Limited
Indusind Bank Limited

REGISTERED OFFICE

Audio House, 7/711, N H Bypass Road,
Palakkad 678 007

HEAD OFFICE

1/1, Palace Road, Bangalore 560 001

FACTORIES

Audio House, 7/711, N H Bypass Road, Palakkad 678 007
No.1, KIADB Ind. Area, Doddaballapur, Bangalore 561 203

DIRECTORS' REPORT

TO THE MEMBERS OF BPL SANYO TECHNOLOGIES LIMITED

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of the Company and the Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Year ended 31.03.97	Year ended 31.03.96
Gross Profit for the year	2398.23	2154.77
Less : Interest	1463.52	1182.63
Depreciation	437.87	301.00
Profit for the year	496.84	671.14
Less : Provision for Taxation	—	—
Add : Balance brought forward	288.22	166.45
from the previous year		
Transfer from Investment	—	23.30
Allowance Reserve		
Profit available for appropriation	785.06	860.89
Appropriations :		
Transfer to Debenture		
Redemption Reserve	—	177.70
Transfer to General Reserve	150.00	70.00
Proposed Dividend	—	324.97
Balance carried to Balance Sheet	635.06	288.22
	785.06	860.89

OPERATIONS

The marked financial liquidity squeeze affected all segments of consumer goods industry and trade. In spite of negative growth in the audio industry, your Company has achieved almost three percentage growth in sales and improved its share of the market. The free import regime led to dumping by MNCs resulting in severe competition, price cutting and extended credit. Consequently, selling and marketing expenses and interest charges rose sharply, eroding the net profit substantially. Though the number of units sold is higher, the net profit for the year under review, has come down to Rs. 496.84 lakhs as compared with Rs. 671.14 lakhs, for the previous year. During the year under review, your Company has invested Rs. 992.74 lakhs in the fixed assets.

The exports during the year amounted to Rs. 43.31 lakhs as against Rs. 160.62 lakhs in the previous year.

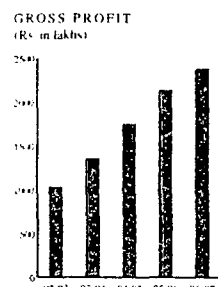
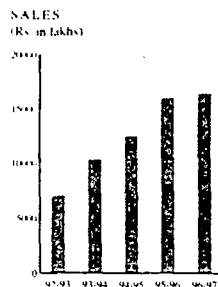
Considering the difficult market conditions, resulting

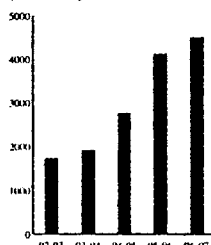
from uncontrolled import of finished products by MNCs and the static market, your Company's overall performance should be considered satisfactory. However, with a view to consolidate the company's position, your directors have decided not to recommend the dividend for the year under review.

FINANCE

The Company has not availed of any fresh loans from the financial institutions during the year. The main focus was on effective management of working capital to contain the prevailing high interest charges.

The total amount of fixed deposits held as on 31st March, 1997 were Rs. 434.05 lakhs as against Rs. 314.81 lakhs as on 31st March, 1996. The Company had 78 deposits amounting to Rs. 11.33 lakhs maturing on 31st March, 1997 and these depositors have been requested to either renew the deposits or approach the Company for repayment.



NET WORTH
(Rs. in lakhs)

Of the above deposits, a sum of Rs. 2.27 lakhs has either been renewed or repaid as on date.

PROSPECTS

It is expected that the current year's operations will show considerable improvement.

The Company has, as in the past, planned further growth in its key business areas by launching inexpensive new products designed to meet specific needs of rural market and further strengthening of the sales and distribution net work with focus on smaller towns. Your Company has also focused its attention on Car Audio and planned introduction of several state-of-the-art models.

Your Company is the OEM supplier of Car Stereos to the premium car MAHINDRA FORD.

CONTRIBUTION TO EXCHEQUER

Your Company has contributed during the year Rs. 54.09 crores by way of Excise Duty, Sales Tax and Customs Duty to the Government Revenue.

RESEARCH & DEVELOPMENT TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY

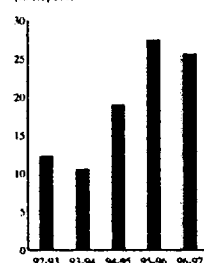
The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to Research and Development, Technology Absorption, Conservation of Energy, Foreign Exchange earnings and outgo is appended hereto and forms part of this Report.

DIRECTORS

Under Article 42(a) of the Articles of Association of the Company, Shri Viswanath Nambiar and Shri KS Jayanth Kumar retire by rotation at the Sixteenth Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s T Velu Pillai & Co., Chartered Accountants, retire and are eligible for re-appointment as Auditors.

BOOK VALUE
(In Rupees)

PERSONNEL

Employee relations at all levels continued to remain cordial. The Directors express their warm appreciation to all the employees for their dedication and support.

As required by Section 217(2A) of the Companies Act, 1956, the Statement of Employees is given in the annexure, which forms a part of this report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the valuable support and guidance received from SANYO, Japan, FMS Audio SDN. BHD, Malaysia and sincerely thank all the customers, suppliers and the Financial Institutions, Bankers, the Depositors and last but not the least the Shareholders.

For and on behalf of the
Board of Directors

TPG Nambiar
Chairman

Bangalore
June 23, 1997

REGISTERED OFFICE
Audio House,
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Palakkad 678 007.