

India's No. 1


Storage

Battery

Company

EXIDE INDUSTRIES LIMITED

ANNUAL REPORT AND ACCOUNTS 1999-2000




Exide Industries Limited,
India's number one storage battery enterprise, is
not only the major player in the Indian
Power Solution sector, but also an emerging player
in the global scenario.

Exide's operations cover the entire gamut of
secondary battery applications ranging
from
two wheelers to heavy commercial vehicles in the
automotive sector,
and the full range of industrial applications
from

batteries for UPS to Power Stations,
humble miners' cap lamps to the state-of-the-art
submarines, all produced at the nine plants
strategically located in different parts of the country.

Indeed, India runs on Exide!



Exide's Achievements in 1999-2000

Sales : Rs. 939.69 crores

Gross Profit : Rs. 94.73 crores

Cash Profit : Rs. 88.48 crores

Net Profit : Rs. 48.89 crores

Compounded
Annual Net Profit
growth over 5 years : 37%

Compounded
Annual Earnings
Per Share growth
over 5 years : 21%

Total Assets : Rs. 838.40 crores

India's No. 1 Storage Battery Company

A Battery of Resellers



REPORTJUNCTION



Free Case

EXIDE
3EV 200



MST 48V - 600 Ah

EXIDE
Powersafe

STANDARD
SLTUBULAR



STANQUEEN
SQ 400

EF
HEAVY DUTY



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BANKERS

State Bank of India
ANZ Grindlays Bank
Hongkong Bank
Citibank N.A.
Standard Chartered Bank
BNP Paribas
HDFC Bank
Corporation Bank

AUDITORS

S.R. Batliboi & Co.
Chartered Accountants
36, Ganesh Chandra Avenue
Calcutta 700 013

REGISTRARS AND SHARE TRANSFER AGENTS

C.B. Management
Services Ltd.
P-22, Bondel Road
Calcutta 700 019

REGISTRARS FOR PUBLIC DEPOSIT

Unit Trust of India Investors
Services Limited
Bombay Mutual Building
9, Brabourne Road
Calcutta 700 001

SOLICITORS

A.H. Parpia & Co.
Advocates & Solicitors
Lentin Chambers
Dalal Street, Fort
Mumbai 400 001
Mukherjee & Biswas
Solicitors, Advocates &
Notary
10, Old Post Office Street
Calcutta 700 001

REGISTERED OFFICE

EXIDE HOUSE
59E, Chowringhee Road
Calcutta 700 020

EXIDE INDUSTRIES LIMITED

BOARD OF DIRECTORS

S. B. Ganguly, *Executive Chairman & Chief Executive Officer*

R. B. Raheja, *Vice Chairman & Non-Executive Director*

T. V. Ramanathan, *Managing Director & Chief Operating Officer*

S. Chand, *Director (Automotive)*

G. Chatterjee, *Director (Industrial)*

S. K. Mittal, *Director (R&D)*

R. G. Kapadia, *Non-Executive Director*

H. M. Kothari, *Non-Executive Director*

B. Mitter, *Non-Executive Director*

S. N. Mookherjee, *Non-Executive Director*

D. S. Parekh, *Non-Executive Director*

A. H. Parpia, *Non-Executive Director*

S. B. Raheja (Alternate V. Aggarwal), *Non-Executive Director*

W. Wong, *Non-Executive Director*

SECRETARY

Barun Das

AUDIT COMMITTEE

R. G. Kapadia

B. Mitter

S. N. Mookherjee

EXECUTIVE COMMITTEE

S. B. Ganguly

T. V. Ramanathan

S. Chand

G. Chatterjee

M. Chaudhuri

Barun Das

S. K. Mittal

NOTICE OF ANNUAL GENERAL MEETING

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NOTICE is hereby given that the **FIFTY THIRD ANNUAL GENERAL MEETING** of the Company will be held at **G D Birla Sabhaghar, 29 Asutosh Choudhury Avenue, Calcutta 700 019 on Friday, 11 August 2000, at 10.30 AM** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Profit and Loss Account for the year ended 31 March 2000 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors thereon.
2. To confirm payment of Dividend on Preference Shares.
3. To confirm payment of Interim Dividend on Equity Shares.
4. To declare Final Dividend on Equity Shares.
5. To appoint a Director in place of Mr. H. M. Kothari, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. S. N. Mookherjee, who retires by rotation and, being eligible, offers himself for reappointment.
7. To appoint a Director in place of Mr. Bhaskar Mitter, who retires by rotation and, being eligible, offers himself for reappointment.
8. To appoint Auditors and fix their remuneration and for this purpose to consider, and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:
"RESOLVED that the Auditors, Messrs S. R. Batliboi & Co, Chartered Accountants, who retire at the conclusion of this Meeting, be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at a fee to be determined by the Board of Directors plus reimbursement of out of pocket expenses."

SPECIAL BUSINESS:

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:
"THAT the Articles of Association of the Company be amended as follows:
a. By inserting the following new Article together with marginal note as Article '53A' after the existing Article '53':
53A - Buy-Back of Shares
Subject to and in compliance of the requirements of Sections 77A, 77AA and 77B of the Companies Act, 1956, or any corresponding provisions of or any re-

enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company, in a general meeting may, upon the recommendation of the Board of Directors of the Company, at any time and from time to time, by a Special Resolution authorise buy-back of any part of the share capital of the Company fully paid up on that date.

- b. The existing Article '78' be substituted with the following Article along with marginal note in its place and stead:

78 - Chairman

The Chairman of the Board of Directors appointed pursuant to Article 127 hereof shall preside as Chairman, or if he shall not be present or is unwilling to act, the Deputy Chairman/Vice Chairman, if any, of the Board of Directors shall preside as Chairman of such meeting. If there are no such Chairman, Deputy Chairman/Vice Chairman, or if both such Chairman and Deputy Chairman/Vice Chairman shall not be present within fifteen minutes from the time appointed for holding of the meeting or is unwilling to act, the members shall elect one of the other Directors present to be the Chairman of the meeting, and if no Director be present or if all the Directors present decline to take the Chair, the members present shall elect one of their number to be Chairman of the meeting.

- c. The existing Article '127' be substituted with the following Article along with marginal note in its place and stead:

127 - Chairman, Deputy Chairman/Vice Chairman

The Company may at a General Meeting appoint any of its Executive Directors/Wholtime Directors as Chairman of the Board of Directors, such Chairman to be known as 'Executive Chairman' and to hold such office until he remains such Executive Director/Wholtime Director. Where there is no such Executive Director/Wholtime Director designated as Executive Chairman, the Board of Directors may elect a Chairman of their meetings.

The Directors may also elect a Deputy Chairman/Vice Chairman to act as Chairman of meetings in the absence of Executive Chairman or the Chairman as the case may be. The period for which the Chairman or the Deputy Chairman/Vice Chairman will be elected by the Directors may be determined by the Directors. If at any meeting the Chairman is not present at the time appointed for holding the same, the Deputy/Vice Chairman shall preside at such meetings. If no such Chairman and Deputy Chairman/Vice Chairman are

- elected, or if at any meeting, both the Chairman and the Deputy Chairman/Vice Chairman shall not be present, the Directors present may choose someone of their number to be the Chairman of such meeting."
10. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:
"THAT in partial modification of the resolution adopted at the 50th Annual General Meeting held on 30 May 1997, Mr. S. B. Ganguly be and is hereby appointed as Executive Chairman & Chief Executive Officer for a period of three years from 28 April 2000, on the fresh terms and conditions as to remuneration and otherwise as set out in the letter of appointment dated 28 April 2000, subject to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956."
11. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:
"THAT in partial modification of the resolution adopted at the 50th Annual General Meeting held on 30 May 1997, Mr. T. V. Ramanathan be and is hereby appointed as Managing Director and Chief Operating Officer for a period of three years from 28 April 2000, on the fresh terms and conditions as to remuneration and otherwise as set out in the letter of appointment dated 28 April 2000, subject to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956."
12. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:
"THAT the terms of appointment of Mr. S. Chand as Director-Automotive be and are hereby revised with effect from 28 April 2000 for a further period of 5 years in partial modification of the resolution adopted at the Annual General Meeting of the Company held on 30 May 1997 on the fresh terms and conditions as to remuneration and otherwise as set out in the letter of appointment dated 28 April 2000, subject to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956."
13. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:
"THAT the terms of appointment of Mr. G. Chatterjee as Director-Industrial be and are hereby revised with effect from 28 April 2000 for a further period of 5 years in partial modification of the resolution adopted at the Annual General Meeting of the Company held on 30 May 1997 on the fresh terms and conditions as to remuneration and otherwise as set out in the letter of appointment dated 28 April 2000, subject to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956."
14. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:
"THAT the terms of appointment of Dr. S. K. Mittal as Director-Research & Development be and are hereby revised with effect from 28 April 2000 for a further period of 5 years in partial modification of the resolution adopted at the Annual General Meeting of the Company held on 30 May 1997 on the fresh terms and conditions as to remuneration and otherwise as set out in the letter of appointment dated 28 April 2000, subject to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956."

Registered Office:
Exide House
59E Chowringhee Road
Calcutta 700 020
Dated: 29 April 2000

By Order of the Board

Barun Das
Divisional Head-Legal &
Company Secretary

NOTES

- a. The Register of Members and Transfer Books of the Company will remain closed from 11.08.2000 to 16.08.2000, both days inclusive. Dividend, if any, that may be declared at the Meeting, will be payable to those Members whose names appear in the Company's Register of Members on 16.08.2000 or to their Mandatees.
- b. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the aforesaid meeting.
- c. Members are requested to immediately notify any change in their address to the Registrars and Share Transfer Agents, CB Management Services Limited, P-22 Bondel Road, Calcutta 700 019.
- d. Any money transferred to the unpaid dividend account of a Company in pursuance of Section 205A of the Companies Act, 1956, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the "Fund" established under Sub-Section (1) of Section 205C of the Act. Please also note that the unpaid/unclaimed dividend for the year ended 31 March 1996 is scheduled to be transferred to the above fund on 30 August 2003.
- e. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT [Pursuant to Section 173(2) of the Companies Act, 1956]**Item No: 9**

The Companies [Amendment] Act, 1999 has, *inter alia*, inserted Sections 77A, 77AA and 77B which allows the Company to buy back its own shares, provided Articles of Association of the Company allow buy-back of any part of the share capital. Your Company's Articles of Association currently do not provide for buy-back of shares. It is, therefore, proposed to insert a new Article '53A' to enable the Company to consider such a 'buy-back' proposal as and when deemed necessary.

Pursuant to the Board of Directors' proposal to appoint an Executive Chairman, it is necessary to amend Articles of Association appropriately by adding the words 'Executive Chairman' in Article Nos: 78 and 127 of the Articles of Association.

It is, therefore, proposed to alter the Company's Articles of Association, as set out in the Resolution at item no: '9' of the Notice convening this meeting.

Your Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

A copy of Memorandum and Articles of Association of the Company, showing the proposed alterations is available for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day, except Saturday, prior to the date of the meeting.

Item Nos: 10 to 14

At the 50th Annual General Meeting of the Company held on 30 May 1997, the members approved the re-appointment of Mr. S. B. Ganguly as the Managing Director of the Company for a period of four years with effect from 12 December 1996 and remuneration payable to him as the Managing Director. His office as Managing Director is expiring on 11 December 2000 by efflux of time.

The Board of Directors [the Board] at its meeting held on 28 April 2000 appointed Mr. Ganguly as Executive Chairman and Chief Executive Officer [CEO] of the Company for a further period of three years. This appointment and the remuneration payable to him are, however, subject to the approval of the members of the Company, at the Annual General Meeting.

The main terms and conditions are set out below:

A. Name of Director	Mr. S. B. Ganguly
Designation	Executive Chairman and Chief Executive Officer
1. Remuneration:	
Salary	Rs. 1,00,000 – Rs. 1,50,000 per month. The actual amount to be paid each year to be determined by the Board.
Commission	Commission of 1% of the Net Profits of the Company computed in the manner laid down in Section 309[5] of the Companies Act, 1956, subject to a maximum of annual salary for each year.
2. Duties	Subject to the superintendence, control and direction of the Board, Mr. Ganguly shall have the responsibility of overall management of the business of the Company and for that purpose shall have the power to do all such acts, deeds and things on behalf of the Company as may be required or delegated to him by the Board.
3. Period	3 [three] years from 28 April 2000

At the 50th Annual General Meeting of the Company held on 30 May 1997, the members approved the appointment of Mr. T. V. Ramanathan as a Wholtime Director [designated as 'Director-Finance'] of the Company for a period of five years with effect from 22 July 1996 and remuneration payable to him as Wholtime Director. His office as a Wholtime Director would have expired on 21 July 2001 by efflux of time. The Board of Directors, however, at its meeting held on 28 April 2000 appointed Mr. T. V. Ramanathan, as the Managing Director and Chief Operating Officer [COO] for a period of three years with effect from 28 April 2000. This appointment and remuneration payable to Mr. T. V. Ramanathan are also subject to approval of the members of the Company at the Annual General Meeting. Mr. Ramanathan is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India and has 32 years of experience both in India and abroad.

At the same Annual General Meeting held on 30 May 1997, the appointments of Mr. S. Chand, Mr. G. Chatterjee and Dr. S. K. Mittal as Wholtime Directors for a period of five years from 22 July 1996 and the remuneration payable to them were approved by the members. The Board of Directors of your Company felt that, for administrative convenience following the aforesaid change in the organisational structure, it was necessary to re-appoint Mr. S. Chand, Mr. G. Chatterjee and Dr. S. K. Mittal as Wholtime Directors with fresh terms, conditions and remuneration. Accordingly at the Board meeting held on 28 April 2000, Mr. S. Chand, Mr. G. Chatterjee and Dr. S. K. Mittal were re-appointed as Wholtime Directors for a further period of five years from 28 April 2000 on fresh terms and conditions. Mr. S. Chand is B.E. [Electrical] with a Diploma in Marketing Management and has 31 years of experience. Mr. G. Chatterjee is B.E. [Mechanical] with a Post Graduate Diploma in Business Management from IIM-Ahmedabad and 28 years of experience. Dr. S. K. Mittal is a Doctorate in Electrical Science from Florida and has 28 years of experience.

The terms and conditions of appointment of Mr. S. B. Ganguly as Executive Chairman and Chief Executive Officer, Mr. T. V. Ramanathan as Managing Director and Chief Operating Officer, Mr. S. Chand as Director-Automotive, Mr. G. Chatterjee as Director-Industrial, Dr. S. K. Mittal as Director-Research & Development are contained in the letters of appointment dated 28 April 2000, issued to them.