

ANNUAL REPORT 1998-99

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EXIDE INDUSTRIES LIMITED



Half a lemon, a disc of copper and a disc of zinc – and you have a basic battery. Lemon juice for the electrolyte – a solution that can conduct electricity. The discs for the electrochemical couple – two substances that react with the electrolyte at different rates, causing a positive charge to be built up on one plate and a negative charge on the other. And that, in a nutshell – or a lemon! – is what takes place in every battery that Exide makes. The power that charges Exide's performance.

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**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

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EXIDE INDUSTRIES LIMITED

BOARD OF DIRECTORS

S. B. Ganguly
Chairman &
Managing Director

R. B. Raheja
Vice Chairman

S. K. Basu
(Nominee - UTI)

S. Chand
Director (Automotive)

G. Chatterjee
Director (Industrial)

R. G. Kapadia

H. M. Kothari

B. Mitter

S. K. Mittal
Director (R&D)

S. N. Mookherjee

D. S. Parekh

A. H. Parpia

S. B. Raheja
(Alternate V. Aggarwal)

T. V. Ramanathan
Director (Finance)

M. Shankar Narayanan

W. Wong
(Alternate B. J. Patel)

SECRETARY

Barun Das

AUDIT COMMITTEE

R. G. Kapadia

S. N. Mookherjee

M. Shankar Narayanan

EXECUTIVE COMMITTEE

S. B. Ganguly

S. Chand

G. Chatterjee

M. Chaudhuri

Barun Das

S. K. Mittal

T. V. Ramanathan

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **FIFTY-SECOND ANNUAL GENERAL MEETING** of the Company will be held at **G D Birla Sabhaghar, 29 Asutosh Choudhury Avenue, Calcutta 700 019 on Friday, 16 July, 1999 at 10.30 A.M.** to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Profit & Loss account for the year ended 31 March 1999 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors thereon.
2. To confirm payment of Preference Dividend.
3. To declare Dividend on Equity Shares.
4. To appoint a Director in place of Mr R B Raheja, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr M Shankar Narayanan who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr W Wong who retires by rotation and, being eligible, offers himself for reappointment.
7. 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., 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 :

8. To consider, and, if thought fit, to pass with or without modification, the following as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :

- i. The existing Article 12 be substituted with the following Article along with the marginal note indicated :

"12 REGISTER AND INDEX OF MEMBERS

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150, 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purposes of the Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

- ii. The word "The" appearing at the beginning of the existing Article 41 be substituted by the words "Subject to the provisions of Article 41A, the."
- iii. The following new Articles together with the marginal notes be inserted as Articles 41A, 48A and 48B after the existing Articles 41 and 48 respectively :

"41A DEMATERIALISATION OF SECURITIES

For the purpose of this Article :

a. Definitions

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof.

"Depository" means a company formed and registered under the Act and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act.

"SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 ; and

"Security" means shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature, in the Company, as are permitted to be dealt with in a depository.

b. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.

c. Option for Investors

Every person subscribing to/acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, for entry in its record the name of the allottee as the beneficial owner of the security.

d. Securities in Depositories to be in Fungible Form

All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e. Rights of Depositories and Beneficial Owners

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership or security on behalf of the beneficial owner.
- ii. Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- iii. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f. Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g. Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owner in the records of the depository.

h. Allotment of Securities dealt with by a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i. Distinctive number of Securities held in a Depository

Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.

j. Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

"48A NOMINATION

1. Every shareholder or debenture holder of the Company, may, at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
2. When the shares or debentures of the Company are held by more than one person jointly, joint

holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be, shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.

3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority."

"48B TRANSMISSION OF SECURITIES IN CASE OF NOMINATION

1. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -
 - (a) to register himself as holder of the share or debenture, as the case may be, or
 - (b) to make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.

2. If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

3. A nominee shall be entitled to the dividend on shares and other advantages to which he would be entitled if he were the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to a meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to register himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with."

- iv. At the end of the existing Article 48, the following sentence be added : "Provided that the provisions of this Article shall be subject to the provisions of Articles 48A and 48B." "

Registered Office :
Exide House
59E Chowringhee Road
Calcutta 700 020
Dated : 24 April, 1999

By Order of the Board of Directors

Barun Das
Divisional Head-Legal &
Company Secretary

NOTES

- a. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such 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.
- b. Members are requested to immediately notify any change in their address to the Company and/or the Registrars and Share Transfer Agents, CB Management Services Limited, P-22, Bondel Road, Calcutta 700 019.
- c. Pursuant to Section 205A of Companies Act, 1956, as it stood prior to amendment effective 31 October, 1998, the dividends remaining unpaid for the year ended 31 March, 1995, has been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal.
- d. The Register of Members and Transfer Books of the Company will remain closed from 1 July, 1999 to 7 July, 1999, both days inclusive. 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 UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 8**

Consequent to the introduction of the Depositories Act, 1996 and the Depository System, the Securities & Exchange Board of India notified that shares of your Company shall be dealt with only in electronic form by financial institutions with effect from 15 February, 1999. Even before this your Company, had entered into an agreement with the National Securities Depository Limited [NSDL] to offer the benefits of scripless trading to the members. Certain provisions of the Company's Articles of Association pertaining to issue, holding, transfer, transmission and dealing in shares and other securities as also certificates thereof which are framed on the basis of the relevant provisions of the Companies Act, 1956, need to be suitably altered.

Further, by the Companies (Amendment) Act, 1999, the holders of securities of the Company have been given option to nominate persons to whom the rights of the security holders of the Company will vest in the event of their death. It would be beneficial if such a nomination clause is included in the Articles of Association of the Company.

It is, therefore, proposed to alter the Company's Articles of Association, as set out in the resolution at item no : 8 of the Notice convening this Meeting, to reflect the provisions of the Depositories Act, 1996 and also to make provisions for exercise of option by the holders of the

securities of the Company to appoint nominees under Sections 109A and 109B of the Act as amended with effect from 31 October, 1998.

The Directors recommend the Resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

A copy of the Memorandum and Articles of Association of the Company showing the proposed alterations is available for inspection at the Registered Office of the Company during office hours on all working days, except Saturday, between 11.00 A.M. and 1.00 P.M. up to the date prior to the date of the Annual General Meeting.

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Dated : 24 April, 1999

By Order of the Board of Directors

Barun Das
Divisional Head-Legal &
Company Secretary