



HBC FLEXTech LIMITED

MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
AGM			SH	
YB				

Report  Junction.com

SIXTH ANNUAL REPORT 1997 - 98





HBC FLEXTech LIMITED

HBC FLEXTech LIMITED

Registered Office & Factory : 40, IDA, Balanagar, Hyderabad - 500 037

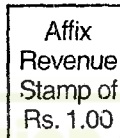
PROXY FORM

I/We.....of.....
in the state of..... being a member / members
of HBC Flextech Limited hereby appoint.....of.....
or failing him / her.....of.....
as my / our proxy to attend and vote for me / us on my / our behalf at the 6th Annual General Meeting of the
Company to be held on 21st September, 1998 and at any adjournment thereof.
As Witness my / our hand / hands this.....day of.....1998.

L.F. No.....

No. of Shares held.....

Date.....



Signature.....

HBC FLEXTech LIMITED

Registered Office & Factory : 40, IDA, Balanagar, Hyderabad - 500 037

ATTENDANCE SLIP

THE COMPANY DOES NOT HAVE THE PRACTICE OF PROVIDING GIFTS
TO MEMBERS AT THE ANNUAL GENERAL MEETING

L.F. No. :.....

No. of Shares held.....

Mr. / Mrs. / Miss.....

I certify that I am a Shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Sixth Annual General Meeting of the Company held on Monday, the 21st September, 1998 at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-06-841, Red Hills, P.B. No. 14, Hyderabad - 500 004

.....
Member's/Proxy's Signature

Notes :

1. Shareholders/Proxy holders are requested to bring the attendance slip with them when they come to the Meeting and hand over at the entrance after affixing their signature on them. Joint Shareholders may obtain additional Attendance Slips at the entrance.
2. In case shareholder wish to appoint a proxy, the Proxy Form duly filled in should reach our Registered Office not later than 48 hours before the Annual General Meeting.





HBC FLEXTech LIMITED

Corporate Information

Board of Directors

Dr. Abid Hussain	Chairman
J.S.Krishna Murthy	Vice Chairman & Managing Director
O. Swaminatha Reddy	
Harrison Tu	
K.P. Sastry	Director (Commercial)
J.S.Rao	Director (Operations)
P.K. Padmanabhan	IDBI - Nominee
J. V. Choudhary	

A.V.N.S. Nageswara Rao G. M. (Finance) & Company Secretary

Auditors

M/s. Brahmayya & Company
Chartered Accountants, Hyderabad

Bankers

State Bank of India
Overseas Branch, Abids,
Hyderabad

Share Transfer Agents

Ikon Visions (P) Ltd.
33, Sonali Heavens, 8-3-948, Nagarjuna Nagar
Hyderabad - 500 073

Registered Office & Factory

Plot No. 40, IDA, Balanagar,
Hyderabad - 500 037



HBC FLEXTech LIMITED

NOTICE:

Notice is hereby given that the Sixth Annual General Meeting of the Shareholders of HBC Flextech Limited will be held at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-06-841, Red Hills, Hyderabad on 21.09.98 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the audited Balance Sheet as at 31 st March, 1998 and the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr.O.Swaminatha Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.Harrison Tu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Sections 269, 198, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Shareholders of the Company, Sri J.S.Krishna Murthy be and is hereby appointed as Vice Chairman and Managing Director of the Company for a period of 5 years with effect from 1.9.1998 on the following terms and conditions as set out in the draft agreement placed before this meeting duly initialled and identified by the Chairman of the meeting.

A) Salary:

At the rate of Rs. 20,000/- per month.

B) Perquisites:

- i) In addition to the aforesaid salary he shall also be entitled to the following perquisites like unfurnished accommodation, gas, electricity, water, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, etc., in accordance with rules of the Company, the monetary value of such perquisites being limited to Rs.4,50,000 per annum for the purposes of which limit :

Perquisites shall be evaluated as per Income Tax Rules wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost and

Use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;

- a. **Housing :** The expenditure on hiring unfurnished accommodation subject to 60% of salary over and above 10% payable by the appointee. The expenditure incurred by the Company on gas, electricity, water shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.
- b. **Reimbursement of Medical expenses :** Expenses incurred for self and family subject to a ceiling of one month salary in year or three months salary over a period of three years.
- c. **Club Fees :** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- d. **Personal accident Insurance :** Premium not to exceed Rs.4,000 per annum.
- e. **Leave Travel Concession :** For self and his family once in a year incurred in accordance with the Rules of the Company,



HBC FLEXTech LIMITED

- ii) Company's contribution to Provident Fund and Superannuation Funds not exceeding 25% of the salary, which shall not be included in the computation of limits for perquisites aforesaid;
- iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure, to the extent the same are not taxable under the Income Tax Act, which also shall not be included in the computation of limits for perquisites.
- iv) The aggregate of the salary, perquisites and contribution towards Provident Fund and Superannuation Funds taken together in respect of Sri J.S.Krishna Murthy shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

Notwithstanding anything herein, where in any financial year during the period of office of Sri J.S.Krishna Murthy as Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate the Company may pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down in Section II, Part II of Schedule XIII of the Companies Act, 1956, or any statutory modifications, substitutions, or re-enactments thereof, as may be agreed to by the Board of Directors and Sri J.S.Krishna Murthy.

Power is also being taken in terms of this resolution for the Board to effect any variations, alterations, or modifications in future in respect of the appointment and remuneration of Sri J.S.Krishna Murthy within the limits specified in Schedule XIII to the Companies Act, 1956, or statutory modifications, substitutions, or re-enactments thereof, as may be agreed to by the Board of Directors and Sri J.S.Krishna Murthy.

6. To Consider and, if thought fit, to pass with or

without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 269, 198, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Shareholders of the Company, Sri K.P.Sastry be and is hereby appointed as Whole - Time Director of the Company for a period of 5 years with effect from 1.9.1998 on the following terms and conditions as set out in the draft agreement placed before this meeting duly initialled and identified by the Chairman of the meeting.

A) Salary:

At the rate of Rs. 20,000/- per month.

B) Perquisites:

- i) In addition to the aforesaid salary he shall also be entitled to the following perquisites like unfurnished accommodation, gas, electricity, water, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, etc., in accordance with rules of the Company, the monetary value of such perquisites being limited to Rs.4,50,000 per annum for the purposes of which limit :

Perquisites shall be evaluated as per Income Tax Rules wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost and

Use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;

- a. **Housing :** The expenditure on hiring unfurnished accommodation subject to 60% of salary over and above 10% payable by the appointee. The expenditure incurred by the Company on gas, electricity, water shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.



HBC FLEXTech LIMITED

b. Reimbursement of Medical expenses : Expenses incurred for self and family subject to a ceiling of one month salary in year or three months salary over a period of three years.

c. Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

d. Personal accident Insurance : Premium not to exceed Rs.4,000 per annum.

e. Leave Travel Concession : For self and his family once in a year incurred in accordance with the Rules of the Company,

ii) Company's contribution to Provident Fund and Superannuation Funds not exceeding 25% of the salary, which shall not be included in the computation of limits for perquisites aforesaid;

iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure, to the extent the same are not taxable under the Income Tax Act, which also shall not be included in the computation of limits for perquisites.

iv) The aggregate of the salary, perquisites and contribution towards Provident Fund and Superannuation Funds taken together in respect of Sri K.P.Sastry shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration:

Notwithstanding anything herein, where in any financial year during the period of office of Sri K.P.Sastry as Whole - Time Director, the Company has no profits or its profits are inadequate the Company may pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down in Section II, Part II of Schedule XIII of the Companies Act, 1956, or any statutory modifications, substitutions, or

re-enactments thereof, as may be agreed to by the Board of Directors and Sri K.P.Sastry.

Power is also being taken in terms of this resolution for the Board to effect any variations, alterations, or modifications in future in respect of the appointment and remuneration of Sri K.P.Sastry within the limits specified in Schedule XIII to the Companies Act, 1956, or statutory modifications, substitutions, or re-enactments thereof, as may be agreed to by the Board of Directors and Sri K.P.Sastry.

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

"RESOLVED THAT pursuant to Sections 269, 198, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Shareholders of the Company, Sri J.S.Rao be and is hereby appointed as Director (Operations) of the Company for a period of 5 years with effect from 1.9.1998 without remuneration on the terms and conditions as set out in the draft agreement placed before this meeting duly initialled and identified by the Chairman of the meeting.

By Order of the Board

A.V.N.S.Nageswara Rao

G.M.(Fin.) & Company Secretary

Registered Office & Factory:

Plot No.40, Industrial Development Area,
Balanagar, Hyderabad- 500 037.

Date : 11.06.1998



HBC FLEXTech LIMITED

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 09.09.98 to 21.09.98 (Both days inclusive).
3. Shareholders are requested to bring their copies of Annual Report along with them to the General Meeting as copies of Annual Report will not be distributed again in the Meeting as a measure of economy.

Explanatory Statement (pursuant to Section 173 (2) of the Companies Act 1956).

Item Nos. 5, 6 and 7:

Sri J.S.Krishna Murthy, Sri K.P.Sastry and Sri J.S.Rao were appointed as Vice Chairman & Managing Director, Director (Commercial) and Director (Operations) respectively for a period of 5 years with effect from 1st September, 1993, at the 1st Annual General Meeting of the company held on 27th September, 1993, in accordance with the provisions of schedule XIII to the Companies Act 1956 in respect of the payment of remuneration to Sri J.S.Krishna Murthy and Sri K.P.Sastry, while Sri J.S.Rao was appointed without any remuneration.

Now, the term of their offices expires on 31st August, 1998, and it is proposed to renew the appointments of Sri J.S.Krishna Murthy as Vice Chairman & Managing Director, Sri K.P.Sastry as Whole-time Director and Sri J.S.Rao as Director (Operations) for a further period of 5 years with effect from 1st September, 1998, in accordance with the provisions of Schedule XIII to the Companies Act 1956 and other applicable provisions, if any.

The draft Agreements to be entered into by the Company with Sri J.S.Krishna Murthy, Sri K.P.Sastry and Sri J.S.Rao are available for inspection of the members of the Company at its Registered Office on all working days between 11.00 AM and 1.00 P.M.

Sri J.S.Krishna Murthy, Sri K.P.Sastry and Sri J.S.Rao are interested in the proposed resolutions at item Nos. 5, 6 and 7 respectively. Sri J.S.Rao and Sri J.V.Choudary being related to Sri J.S.Krishna Murthy are deemed to be interested and concerned in the Resolutions at item Nos. 5 and 7.

This explanation together with the accompanying notice is and should be treated as an abstract under section 302 of the Companies Act, 1956 in respect of the appointment of Sri J.S.Krishna Murthy as Vice Chairman & Managing Director, Sri K.P.Sastry as Whole-time Director and Sri J.S.Rao as Director (Operations).