



HBC FLEXTech LIMITED



**8th ANNUAL REPORT
1999 - 2000**



HBC FLEXTech LIMITED

Corporate Information

Board of Directors

Dr. Abid Hussain

J.S.Krishna Murthy

J.S.Rao

O. Swaminatha Reddy

Harrison Tu

K.P. Sastry

J. V. Choudhary

Chairman

Vice Chairman

Managing Director

Director

Director

Director

Director

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 Eight Annual General Meeting of the Shareholders of HBC FLEXTech LIMITED will be held at 3.30 p.m. on Thursday, the 30th NOVEMBER, 2000 at The Federation of Andhra Pradesh Chambers of Commerce & Industry, 11-6-841, Red Hills, P.B.No. 14, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the audited Balance Sheet as at 31st March, 2000 and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Sri K.P.SASTRY 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 Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 269, 198, 309 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, Sri J.S.RAO be and is hereby appointed as Managing Director of the Company for a period of 5 years with effect from 29.07.2000 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 the 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 a 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



HBC FLEXTech LIMITED

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.RAO 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.RAO as 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.RAO.

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.RAO 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.RAO.

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

"RESOLVED THAT pursuant to Sec.21 and any other provisions of the Companies Act, 1956 as may be applicable, if any, and the provisions of the Memorandum and Articles of Association of the Company; and subject to the approval of Central Government, the name of the Company be changed as "HYDERABAD FLEXTech LIMITED", from the present name

"HBC FLEXTech LIMITED", and accordingly the Memorandum of Association, and the Articles of Association of the company be and are hereby altered as follows:

- a) The following words be substituted in Clause I of the Memorandum of Association of the Company.

"HYDERABAD FLEXTech LIMITED"

for the words

"HBC FLEXTech LIMITED"

- b) The following words be substituted in Article 2 (c) of the Articles of Association of the Company.

"The Company" or 'This Company' means "HYDERABAD FLEXTech LIMITED"

for the words

"The Company" or 'This Company' means "HBC FLEXTech LIMITED"

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article of Association of the Company be and is hereby altered as follows:-

Insert the following new Article numbered "17A" after the Article "17".

17A. Dematerialisation of Securities:

For the purposes of this Article, unless the context otherwise requires:

a. Definitions:

Beneficial Owner: "Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (I) of Section 2 of the Depositories Act, 1996;

Bye-laws : 'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;

Depositories Act : 'Depositories Act' means the Depositories Act, 1996, and any statutory



HBC FLEXTech LIMITED

modification or re-enactment thereof for the time being in force;

Depository : 'Depository' means a company formed and registered under the Companies Act, 1956 (I of 1956) ('the Act') and which has been granted a certificate of registration under sub-section (IA) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

Record : 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations : 'Regulations' means the regulations made by SEBI;

SEBI : 'SEBI' means the Securities and Exchange Board of India;

Security : 'Security' means such security as may be specified by SEBI from time to time ;

Shareholders or Members : 'Shareholder' or 'Member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and / or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

B. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any, from time to time;

(c) Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive the 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.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter 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 held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187A, 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 purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
- ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
- iii. Every person holding securities of the Company and whose name is entered as a 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 held by a Depository.



HBC FLEXTech LIMITED

(f) Depository to furnish information:

Notwithstanding anything to the contrary contained in the Act or these Articles, where the 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 and discs.

(g) Option to opt out in respect of any security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(h) Section 83 and 108 of the Act not to apply :

Notwithstanding anything to the contrary contained in the Articles-

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

(i) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

(j) Intimation of Depository :

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with a Depository, the Company shall intimate the

details of the allotment of securities thereof to the Depository immediately on allotment of such securities.

(k) Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

(l) Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

(m) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof".

By Order of the Board

A.V.N.S. Nageswara Rao

GM (Fin.) & Company Secretary.

Registered Office & Factory

Plot No. 40, IDA, Balanagar,

Hyderabad - 500 037

Date : 31.10.2000



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 28th November, 2000 to 30th November, 2000 (Both days inclusive).
3. Shareholders are requested to bring their copies of Annual Report along with them to the General Meeting as copies of the 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

Sri J.S.KRISHNA MURTHY who was appointed as Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 01.09.1998, had expressed his desire to continue only as Vice Chairman of the Company.

Accordingly, the Board had thought it fit to request Sri. J.S.RAO, who had also been appointed as Director (Operations), for a period of five years with effect from 01.09.1998, to take up the responsibilities of Managing Director in place of Sri J.S.KRISHNA MURTHY.

Sri J.S.RAO who had been Director (Operations) from the inception of the Company had acquired a lot of experience and acquaintance with the entire operations of the Company, and as such was thought to be the fit person to take up the position of The Managing Director.

Accordingly, your directors recommend for the passing this resolution. Sri J.S.RAO, Sri J.S.KRISHNA MURTHY and Sri J.V.CHODARY who are relatives of Sri J.S.RAO are deemed to be interested in the resolution.

Item No.6 :

The Company was promoted and belongs to the HYDERABAD BOTTLING COMPANY (HBC) GROUP of Companies.

The HYDERABAD BOTTLING COMPANY was in the business of Soft Drink Bottling for the last three decades and were the authorised bottlers for the

Brands like THUMPS-UP, COCO-COLA etc.,

The Coco-cola Company as a policy had recently taken over all the bottling units in India and elsewhere in the world, as a result of which now HBC is no longer in the bottling business.

In view of the above, it is proposed to change of the name of the Company from the present HBC FLEXTech LIMITED (which originally was adopted to denote the fact of a group Company of HYDERABAD BOTTLING COMPANY) to the new proposed name of HYDERABAD FLEXTech LIMITED.

Your directors recommend for the approval of this resolution. None of the directors is interested in this resolution, except as a shareholder of the Company.

ITEM NO. 7.

As per the directions of SEBI, your Company's Equity Shares are required to be traded in Demat mode only with effect from 31st October, 2000. As such a new clause is proposed to be included in the Articles of Association of the Company to make a provision for Dematerialisation of Securities in order to conform with the provisions of Depositories Act, 1996.

Your Board of Directors recommends the Resolution for your approval.

No Director of the Company is deemed to be interested or concerned in the said Resolution except as a shareholders of the Company.