



## **HBL NIFE POWER SYSTEMS LIMITED**

**(THE WIDEST SPECTRUM OF STAND BY BATTERY POWER – – – AND MORE)**



**14<sup>TH</sup> ANNUAL REPORT**  
**1999-2000**

## **HBL NIFE POWER SYSTEMS LIMITED**

(Formerly known as SAB NIFE POWER SYSTEMS LTD)

### **Board of Directors (as on July 28, 2000)**

Dr. A J Prasad, Chairman & Managing Director  
Mr. Arne Georgzen, Swedfund  
Mr. D. Balasundaram  
Mr. Ashok Nagarkatti, Director (Battery Technology)  
Mr. L C Gangrade, Director (Operations)  
Mr. U.M. Rao, Director (Electronics)  
Mr. M S S Srinath, Director (Quality & Craftsmanship)  
Mr. M S Ramakrishna  
Ms. Kavita Prasad  
Mr. Deepak Sahay (alternate to Mr. Arne Georgzen)

### **Technical Advisory Committee**

Dr. Alvin J Salkind  
Mr. Norman Bagshaw  
Mr. Grady Lynn

### **Company Secretary**

Mr. C Purushotham

### **Auditors**

Satyanarayana & Co.  
Chartered Accountants

### **Bankers**

State Bank of India  
State Bank of Hyderabad

### **Registered Office**

8-2-601, Road No.10, Banjara Hills,  
Hyderabad - 500 034

### **Factories**

Aliabad, R.R. Dist. A.P.  
Lalgadi Malakpet, R.R. Dist. A.P.  
Kothur, Mahboobnagar Dist. A.P.  
Nandigaon, Mahboobnagar Dist. A.P.  
Jeedimetla, Hyderabad - 500 055

### **Investor Services Department**

Sy.No.26, Kubera Towers  
Trimulgherry X Road  
Secunderabad - 500 015

### **Share Trasfer Registrars**

(Only for Electronic transfers-DEMAT)  
Karvy Consultants Limited  
46,Avenue4, Street No.1,  
Banjara Hills, Hyderabad 500 034



## NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of HBL NIFE POWER SYSTEMS LIMITED will be held on Thursday the 28th day of September, 2000 at 3.30 p.m. at the Surana Udyog Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad 500 004, to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2000 and the Profit and Loss Account for the year ended on 31st March, 2000 together with the Directors Report and the Auditors Report thereon.
2. To declare dividend for the financial year ended 31st March, 2000.
3. To appoint a Director in place of Mr.Arne Georgzen, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the period till the conclusion of the next Annual General Meeting and to Authorise the Board to fix their remuneration. M/s Satyanarayana & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

### SPECIAL BUSINESS :

- (A) TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:

5. To appoint Mr. Ashok Nagarkatti as Director of the Company.

"RESOLVED THAT Mr. Ashok Nagarkatti, who was appointed as an Additional Director and whose term of office expires on conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To appoint Mr. Ashok Nagarkatti as Wholetime Director for five years with effect from 1.4.2000.

"RESOLVED THAT, pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, Mr. Ashok Nagarkatti be and is hereby appointed as Director (Battery Technology) of the Company with effect from 1.4.2000 to 31.3.2005, on the following terms as to remuneration:

- i. Basic Salary : Rs.6,00,000/- per annum
- CCA : Rs. 12,000/- per annum
- ii. Perquisites :
  - a) House Rent allowance or Provision of House accommodation subject to a maximum monthly rent at 50% of the basic salary.
  - b) Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
  - c) Salary of one Servent at residence of the appointee will be reimbursed by the Company.
  - d) Leave Travel Allowance - Actual travelling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of service.
  - e) Reimbursement of Medical expenses incurred by self and dependents not exceeding Rs.15,000/- per every year of service.
  - f) Annual Leave with salary as per the rules of the Company.



- g) Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
- iii) Provision of a car for use on Company's business and a telephone at residence will not be considered as perquisites.
- iv) Incentive :

An amount subject to a maximum of Rs.3.00 lakhs per annum may be credited to Valuable Employee Benefit Fund account of the appointee. Interest at Bank rate is payable annually on his balance in this fund account to the appointee. Amount credited in any year is paid out after a lock in of 3 years, subject to other conditions.

The Board is authorised to determine the actual amount of the above incentive, every year, depending upon over all Company profitability and individual's special contributions."

- 7. To appoint Mr. L C Gangrade as Director of the Company.

"RESOLVED THAT Mr. L C Gangrade, who was appointed as an Additional Director and whose term of office expires on conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

- 8. To appoint Mr. L C Gangrade as Wholtime Director for five years with effect from 1.4.2000.

"RESOLVED THAT, pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, Mr. L C Gangrade be and is hereby appointed as Director (Operations) of the Company with effect from 1.4.2000 to 31.3.2005, on the following terms as to remuneration:

- i. Basic Salary : Rs.6,00,000/- per annum  
CCA : Rs. 12,000/- per annum
- ii. Perquisites :
  - a) House Rent allowance or Provision of House accommodation subject to a maximum monthly rent at 50% of the basic salary.
  - b) Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
  - c) Salary of one Servent at residence of the appointee will be reimbursed by the Company.
  - d) Leave Travel Allowance - Actual travelling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of service.
  - e) Reimbursement of Medical expenses incurred by self and dependents not exceeding Rs.15,000/- per every of service.
  - f) Annual Leave with salary as per the rules of the Company.
  - g) Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
- iii) Provision of a car for use on Company's business and a telephone at resident will not be considered as perquisites.
- iv) Incentive :
 

An amount subject to a maximum of Rs. 3.00 lakhs per annum may be credited to Valuable Employee Benefit Fund account of the appointee. Interest at Bank rate is payable annually on his balance in this fund account to the appointee. Amount credited in any year is paid out after a lock in of 3 years, subject to other conditions.



The Board is authorised to determine the actual amount of the above incentive, every year, depending upon over all company profitability and individual's special contributions."

9. To appoint Mr. U M Rao as Director of the Company.

"RESOLVED THAT Mr. U M Rao, who was appointed as an Additional Director and whose term of office expires on conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

10. To appoint Mr. U M Rao as Wholtime Director for five years with effect from 1.4.2000.

"RESOLVED THAT, pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, Mr. U M Rao be and is hereby appointed as Director (Electronics) of the Company with effect from 1.4.2000 to 31.3.2005, on the following terms as to remuneration:

- i. Basic Salary : Rs.6,00,000/- per annum  
CCA : Rs. 12,000/- per annum
- ii. Perquisites :
  - a) House Rent allowance or Provision of House accommodation subject to a maximum monthly rent at 50% of the basic salary.
  - b) Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
  - c) Salary of one Servent at residence of the appointee will be reimbursed by the Company.
  - d) Leave Travel Allowance - Actual travelling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of service.
  - e) Reimbursement of Medical expenses incurred by self and dependents not exceeding Rs.15,000/- per every of service.
  - f) Annual Leave with salary as per the rules of the Company.
  - g) Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
- iii) Provision of a car for use on Company's business and a telephone at residence will not be considered as perquisites.
- iv) Incentive :

An amount subject to a maximum of Rs. 3.00 lakhs per annum may be credited to Valuable Employee Benefit Fund account of the appointee. Interest at Bank rate is payable annually on his balance in this fund account to the appointee. Amount credited in any year is paid out after a lock in of 3 years, subject to other conditions.

The Board is authorised to determine the actual amount of the above incentive, every year, depending upon over all Company profitability and individual's special contributions."

11. To appoint Mr. M S Rama Krishna as Director of the Company.

"RESOLVED THAT Mr. M S Rama Krishna, who was appointed as an Additional Director and whose term of office expires on conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."



12. To appoint Mr. M S S Srinath as Wholetime Director for five years with effect from 1.4.2000.

"RESOLVED THAT, pursuant to the provisions of Sections 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary, Mr. M S S Srinath be and is hereby appointed as Director (Quality & Craftsmanship) of the Company with effect from 1.4.2000 to 31.3.2005, on the following terms as to remuneration:

- i. Basic Salary : Rs.3,00,000/- per annum
- ii. Perquisites :
  - a) House Rent allowance or Provision of House accommodation subject to a maximum monthly rent at 50% of the basic salary.
  - b) Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
  - c) Salary of one Servent at residence of the appointee will be reimbursed by the Company.
  - d) Leave Travel Allowance - Actual travelling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of service.
  - e) Reimbursement of Medical expenses incurred by self and dependents not exceeding Rs.15,000/- per every year of service.
  - f) Annual Leave with salary as per the rules of the Company.
  - g) Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
- iii) Provision of a car for use on Company's business and a telephone at residence will not be considered as perquisites."

13. To appoint Mrs. Kavita Prasad as Director of the Company.

"RESOLVED THAT Mrs. Kavita Prasad, who was appointed as an Additional Director and whose term of office expires on conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

- (B) TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS:

14. Amendment to the Articles of Association :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner:

- (i) Directors may refuse to register transfers : In Article 36(1) substitute the words "Section 111" in the first line with the words "Section 111A".
- (ii) Title to share of deceased Member : Insert the following words at the beginning of Article 64 "Subject to the provisions of Section 109A of the Act."
- (iii) Dematerialisation of Securities : After Article 44 insert the following Article 44A and 44 B.

**44A (1) for the purpose of this Article:**

**Definitions**

"Beneficial Owner" means a person who opts to hold his securities with a Depository, and whose name is recorded as such with a Depository.



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|   |        | <p>"SEBI" means the Securities and Exchange Board of India; "Depository" means a Company formed and registered under the Companies Act, 1956 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 "Security" means such security as may be specified by SEBI from time to time.</p>  |
| Dematerialisation of Securities                   | (2)    | The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depository and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.  |
| Options for Investors                             | (3)    | <p>Every person subscribing to securities offered by the Company, and every Member shall have the option to either hold the securities in the form of security certificates or to hold the securities with a Depository when permitted. Where any holder of securities surrenders his Certificate of securities held in the Company in accordance with Section 6 of the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, the Company shall cancel the certificate and substitute in its records the name of the relevant Depository and inform the Depository accordingly. The Company shall maintain a record of certificates of Securities that have been so dematerialised and destroyed. Such persons who hold their securities with a Depository can at any time opt out of the Depository, if permitted by law, and the Company shall in such manner and within such time as prescribed by law, issue to such persons the requisite certificates of securities.</p> <p>If 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 the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> |
| Securities in depositories to be in fungible form | (4)    | All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.   |
| Rights of Depositories                            | (5)(a) | Notwithstanding anything to the contrary contained in the Act or this Article, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.  |
|   | (b)    | Save as otherwise provided in (a) 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.  |
|   | (c)    | The beneficial owner of 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.   |





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| Service of documents                      | (6) | Notwithstanding anything in the Act or this Article 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.   |
| Register and Indices of Beneficial Owners | (7) | For the purposes of this Article, the Registers and Indices of Members and Debenture Holders shall be deemed to include the Registers and Indices of Beneficial Owners maintained under the Depositories Act, 1996 by every Depository in respect of securities issued by the Company.   |
| Nomination                                | 44B | Notwithstanding anything contained herein, a Member has a right to nominate one or more persons as his / her nominee(s) to be entitled to the rights and privileges as may be permitted under the law in the event of death of the said member/s subject to the provisions of the Companies Act, 1956, and other applicable laws". |

By Order of the Board

Place: Hyderabad  
Date : July 28, 2000

C Purushotham  
Company Secretary

**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. Proxies, in order to be effective, should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement, as required by Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 14 set out above is annexed hereto.
4. The Register of Member and Share transfer books of the company shall remain closed from Monday, the 11th September, 2000 to Thursday, the 28th September, 2000 (both days inclusive).
5. Members desirous of making nomination in respect of their shareholding may approach the Company for obtaining prescribed form and return the same duly filled in and signed for registration with the Company.
6. Members are requested to intimate immediately to the Company, quoting Registered Folio Number, change in their address, if any, with the Pin Code number.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.
8. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.





## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item no. 5 and 6 :

Mr. Ashok Nagarkatti was appointed as an Additional Director on the Board and was appointed as a Wholetime Director in charge of Battery Technology w.e.f. 1.4.2000 for five years. He was on the Board of merged Company HBL Limited as Executive Director and has been associated with these companies for over two decades. He is a Chemical Engineer with an indepth knowledge in Battery Technology. Pursuant to Section 260 of the Companies Act, 1956 Mr. Ashok Nagarkatti holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 proposing Mr. Ashok Nagarkatti as a candidate for the office of the Director.

The particulars of remuneration are given in the resolution. The terms of appointment are within the norms as per Schedule XIII of the Companies Act, 1956.

Your Directors commend the Resolution for the approval of the shareholders.

None of the Directors other than Mr. Ashok Nagarkatti may be deemed to be interested or concerned in this resolution.

Item no: 7 and 8 :

Mr. L C Gangrade was appointed as an Additional Director on the Board and was appointed as a Wholetime Director in charge of Operations w.e.f. 1.4.2000 for five years. He was on the Board of merged Company HBL Limited as Wholetime Director and has been associated with these companies since 1992. He is an Electrical Engineer with good experience in engineering and management. Pursuant to Section 260 of the Companies Act, 1956. Mr. L C Gangrade holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 proposing Mr. L C Gangrade as a candidate for the office of the Director.

The particulars of remuneration are given in the resolution. The terms of appointment are within the norms as per Schedule XIII of the Companies Act, 1956.

Your Directors commend the Resolution for the approval of the shareholders.

None of the Directors other than Mr. L C Gangrade may be deemed to be interested or concerned in this resolution.

Item no: 9 and 10 :

Mr. U M Rao was appointed as an Additional Director on the Board and was appointed as a Wholetime Director in charge of Electronics w.e.f. 1.4.2000 for five years. He was on the Board of Sab Nife. He is an Electronics Engineer and has been associated with the Company for 8 years and is responsible for the development of electronic products.

Pursuant to Section 260 of the Companies Act, 1956 Mr. U M Rao holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 proposing Mr. U M Rao as a candidate for the office of the Director.

The particulars of remuneration are given in the resolution. The terms of appointment are within the norms as per Schedule XIII of the Companies Act, 1956.

Your Directors commend the Resolution for the approval of the shareholders.

None of the Directors other than Mr. U M Rao may be deemed to be interested or concerned in this resolution.

Item no. 11 :

Mr. M S Rama Krishna was appointed as an Additional Director. He is a promoter Director for Karvy Group of Companies and has rich experience in capital markets.



Pursuant to Section 260 of the Companies Act, 1956 Mr. M S Ramakrishna holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 proposing Mr. M S Ramakrishna as a candidate for the office of the Director.

Your Directors commend the resolution for the approval of the shareholders.

None of the Directors other than Mr. M S Ramakrishna may be deemed to be interested or concerned in this resolution.

Item no.12 :

Mr. M S S Srinath is a Director and was appointed as Wholetime Director with effect from 1.4.2000 incharge of Quality & Craftsmanship for five years.

He is a graduate in Economics and is associated with the Company for the last three years looking after Quality Improvement, Investor Grievances and other Corporate related matters.

The particulars of remuneration are given in the resolution. The terms of appointment are within the norms as per Schedule XIII of the Companies Act, 1956.

Your Directors commend the Resolution for the approval of the shareholders.

He is the husband of Mrs. Kavita Prasad, the daughter of Dr. A J Prasad.

None of the Directors other than Mr. M S S Srinath, Mrs. Kavita Prasad and Dr. A J Prasad is interested or concerned in this resolution.

Item no.13 :

Mrs. Kavita Prasad was appointed as an Additional Director on 11.5.2000

She was on the Board of merged Company HBL Limited as Wholetime Director and has been associated with these companies for number of years.

Pursuant to Section 260 of the Companies Act, 1956 Mrs. Kavita Prasad holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 proposing Mrs. Kavita Prasad as a candidate for the office of the Director.

Your Directors commend the Resolution for the approval of the shareholders.

None of the Directors other than Mrs. Kavita Prasad, Dr. A J Prasad and Mr. M S S Srinath is interested or concerned in this resolution.

Item no: 14

Some of the provisions of the Companies Act, 1956 have been amended consequent upon passing of the Depositories Act, 1996. Further the Companies (Amendment) Act, 1999 has also amended the Act to provide for nomination facility to the shareholders. It is therefore, necessary to alter the Articles of Association of the Company as proposed in the Resolution as set out under Item no.15 of the accompanying Notice so that they conform to the amended provisions of the Companies Act, 1956 and the Depositories Act, 1996.

The Directors commend the Resolution for approval of the Members.

A copy of the Memorandum and Articles of Association of the Company is available for inspection to the members at the Registered Office between 10.30 a.m. and 1.00 p.m. on all working days of the Company upto and including the day of the Meeting.

By Order of the Board

Place: Hyderabad  
Date : July 28, 2000

C Purushotham  
Company Secretary