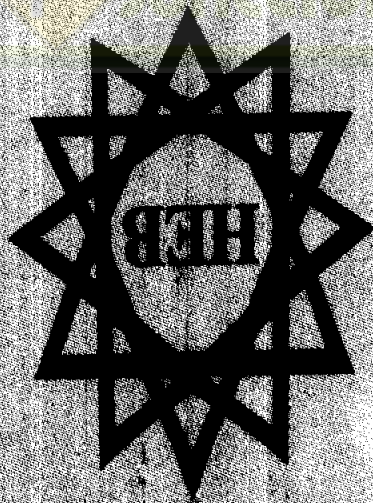


**FORTY FIRST ANNUAL REPORT**  
**2001 - 2002**



**HIGH ENERGY**  
**BATTERIES (INDIA) LIMITED**



**Sri S Viswanathan**  
Founder and Chairman  
(21.12.1915 to 22.07.2001)

The Visionary and Karma Yogi is no more.....  
but his ideals will continue to guide us.

## HOMAGE

*We record with profound grief and sorrow, the passing away of Sri S Viswanathan , Founder and Chairman of the Company, on July 22, 2001.*

*Affectionately referred to as SV by his friends and associates, he was a lawyer-turned freedom fighter-turned industrialist of a unique genre. He was a close associate of Sri Jaya Prakash Narayan. He teamed up with Sri R Venkataraman, former President of India, to practice Law at Chennai.*

*He joined in 1957, the House of Seshasayees, a Managing Agency firm of repute in that era. With the untimely death of Sri V Seshasayee, SV took on the mantle and his entrepreneurial drive and vision helped him establish number of Industrial enterprises, viz., Seshasayee Industries Limited, Simco Meters Limited, Seshasayee Paper and Boards Limited, Neyveli Ceramics and Refractories Limited, High Energy Batteries (India) Limited, Ponni Sugars and Chemicals Limited, SPB Projects and Consultancy Limited, Esvin Advanced Technologies Limited, etc.*

*The "Magnum Opus" of SV was the creation of Tamilnadu Newsprint and Papers Limited. He took total charge and responsibility from concept to commissioning of this project. This was the first ever Mill to produce, successfully, newsprint out of sugarcane bagasse and continues to be one of the top profit performers of the State Government.*

*He laid great emphasis on the use of Bagasse as raw material for the Paper Industry to preserve forest cover and protect environment. His persistent thrust in this area has lead to more than 50% of paper production in the country now being made out of unconventional raw material such as Bagasse. He promoted Ponni Sugars which became the first sugar mill in the country to use alternate fuel in its Boilers and release the Bagasse in entirety for Paper making. He innovatively structured Irrigation Projects with multiple objectives of using treated paper mill effluent for converting dry lands into wet land thus transforming the livelihood of local farming community and simultaneously meeting the raw material needs of both Sugar and Paper Industry.*

*He was strong believer in team work and professionalism. He was firmly of the view that the role of Industry is not just to create wealth in a few hands, but must be extended to serve rural development, poverty alleviation, employee welfare and society upliftment.*

*He was "Visionary" par excellence and "Karmayogi", non-pareil.*

*In his passing away, the Company has lost its Guiding Star and the void is hard to fill.*

*Though he is no more, his lofty ideals will always be guiding us in all our activities.*



**CHAIRMAN** : SRI N. GOPALARATNAM  
**DIRECTORS** : SRI R. SUBBARAYAN  
                   SRI R. VAIDYANATHAN  
                   SRI S. PARAMANANDHAN  
                   SRI A.L. SOMAYAJI  
                   CMDE R.P. PREM KUMAR, VSM, (Retd.)  
**EXECUTIVE DIRECTOR** : SRI S. SRIDHARAN  
**SECRETARY** : SRI S.V. RAJU  
**AUDITORS** : M/s. R. SUBRAMANIAN & CO.  
                   Chartered Accountants  
                   Chennai  
**INTERNAL AUDITORS** : M/s. N.R. SURESH & CO.  
                   Chartered Accountants, Chennai.  
**BANKERS** : UCO BANK, Trichy  
                   CANARA BANK, Trichy  
                   INDIAN BANK, Trichy  
**REGISTERED OFFICE** : "Esvin House"  
                             Perungudi  
                             Chennai - 600 096  
**PLANT** : Pakkudi Road  
                   Mathur 622 515  
                   Pudukkottai District.

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**NOTICE TO THE SHARE HOLDERS**

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held at **11.30 A.M. on Monday, the 29th July 2002** at Hotel New Woodlands, 72-75, Dr. Radhakrishnan Salai, Mylapore - Chennai - 600 004 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Balance Sheet of the Company as at 31st March 2002 and the Profit and Loss Account for the year ended 31st March, 2002.
2. To declare a dividend.
3. To elect Directors :
  - a) To appoint a Director in the place of Sri S Paramanandhan who retires by rotation and being eligible, offer himself for re-election.
  - b) To appoint a Director in the place of Sri R Vaidyanathan who retires by rotation and being eligible, offer himself for re-election.
4. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION with or without modification :

"RESOLVED THAT pursuant to Section 224-A of the Companies Act, 1956, M/s. R Subramanian & Co., Chartered Accountants, Chennai, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration of Rs.75,000/- exclusive of Service Tax, if any, plus out-of pocket expenses in connection with the Company's Audit".

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## NOTICE TO THE SHARE HOLDERS (Continued)

### SPECIAL BUSINESS

5. To consider and if thought fit, pass with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

RESOLVED THAT the Articles of Association of the Company be and are hereby altered by substitution of the following Article No.99 for the existing Article No.99 with the marginal note there on:

Remuneration of Directors	99. Every Director, excluding Managing Director, Joint Managing Director or any other salaried Director, shall be paid out of the funds of the Company by way of remuneration Rs.1,500/- for each meeting of the Board of Directors or any Committee of Directors attended by him irrespective of the number of days for which such meeting may continue consecutively and shall also be paid all reasonable travelling and other expenses incurred by him for attending and returning from the meetings of the Board of Directors or any Committee thereof.
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A Director including a Member of the Committee of Directors authorised to attend or deal with any item of business of the Company may be paid to a reasonable extent all the expenses incurred for attending to such business including travelling and hotel expenses.

6. To consider and, if thought fit, to pass the following Resolution with or without modification as an ORDINARY RESOLUTION.

"RESOLVED THAT Sri A L Somayaji, be and is hereby appointed a Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass the following Resolution with or without modification as an ORDINARY RESOLUTION.

"RESOLVED THAT Commodore R P Prem Kumar, be and is hereby appointed a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass the following Resolution with or without modification as an ORDINARY RESOLUTION.

"RESOLVED THAT subject to the superintendence, control and direction of the Board of Directors of the Company and subject to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act) if any, read with Schedule XIII thereof, Mr S Sridharan be and is hereby appointed as a whole time Director designated as Executive Director of the Company for a period of three years from 1<sup>st</sup> April 2002 as per Article No.146 (B) of the Articles of Association of the Company on the following terms and conditions approved by Remuneration Committee as to remuneration and perquisites":-



NOTICE TO THE SHARE HOLDERS (Continued)			
1	Period		3 years - From 1 <sup>st</sup> April 2002 to 31 <sup>st</sup> March 2005
2	Remuneration		Salary Rs.35,000 (Rupees thirty five thousand only) per month including dearness allowance and all other allowances.
3	Perquisites		Perquisites will be in addition to salary and shall be restricted to an amount equal to the annual salary.
(a)	Housing		House Rent Allowance of Rs.7,500 (Rupees seven thousand five hundred only) per month.
(b)	Gas, Electricity, Water and Furnishings		The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary but subject to a maximum of Rs.3,000 (Rupees three thousand only) per month.
(c)	Medical Reimbursement		Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
(d)	Club Fees		Fees of Clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
(e)	Personal Accident Insurance		Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.3,000 (Rupees three thousand only) per annum.
(f)	Contribution to Provident Fund and Superannuation Fund	(i)	Company's contribution towards Provident Fund as per the Rules of the Company.
		(ii)	Company's contribution towards Superannuation Fund as per the Rules of the Company.
		(iii)	Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
(g)	Gratuity		As per the Rules of the Company
(h)	Earned Leave		As per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
(i)	Use of Car and Telephone		Car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
AND FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year, the salary and perquisites mentioned above be paid as minimum remuneration to Mr S Sridharan.			





**NOTES**

- A. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
- B. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, the 23rd July, 2002 to Monday, the 29th July 2002, both days inclusive.
- C. Members are requested to immediately intimate any change in their respective address registered with the Company.
- D. Dividend, when declared, will be paid to the members whose names are on the Register of Members as on 29th July 2002.
- E. Dividend upto Rs. 1000/- payable to any member being an individual and Resident of India, will be paid without any deduction of Income Tax. Others who are desirous of claiming non-deduction of Income Tax, are requested to furnish Tax Exemption Certificate or Declaration in Form 15G, in duplicate, on or before 29th July, 2002. A copy of Form 15G will be sent to members on request.

(By Order of the Board)  
for HIGH ENERGY BATTERIES (INDIA) LIMITED,

Registered Office :  
"Esvin House"  
Perungudi,  
Chennai - 600 096.  
8th June, 2002

**S.V. RAJU**  
Secretary





## NOTICE TO THE SHARE HOLDERS (Continued)

### EXPLANATORY STATEMENT

(As required under Sec. 173 (2) of the Companies Act, 1956)

#### ITEM No. 5

The sitting fee payable to the Directors for attending the Board Meeting or Committee thereof was fixed at Rs.500/- per meeting in accordance with the new Rule 10(B) of the Companies (Central Government's) General Rules and Forms 1988 during July 1993. To be in conformity with the sitting fee in the corporate world today, this requires enhancement to a reasonable degree. GSR No.58E dated 17-01-2000 prescribed a ceiling of sitting fee as Rs.5,000/- per meeting revising the earlier ceiling of Rs.2,000/- per meeting prescribed by the said Rules. The amendment proposed in the Articles of Association of the Company is to increase the sitting fee to Rs.1,500/-.

All the Directors other than the Executive Director of the Company are interested in this resolution. Necessary Special Resolution to amend the Article No.99 to give effect to the above proposal is placed for your approval.

#### ITEM No. 6

Mr A L Somayaji is a Senior Advocate, practising in the Madras High Court and the Supreme Court of India. After finishing his law graduation, he became a member of the Bar Council of Madras and joined M/s Aiyar & Dolia till he was designated as Senior Advocate in October 1994. He has handled several cases involving Constitutional matters and other subjects in the Madras High Court. He is in the Editorial Board of "Supreme Today" Current Tamilnadu cases, Labour Law Journal and Salestax cases.

Mr Somayaji is legal advisor to various companies like Madras Port Trust, SPIC Limited etc. Mr Somayaji has good grasping and interactive capabilities coupled with excellent communication skills. The company will greatly be benefitted by his expertise in legal and commercial acumen, which he has acquired over more than three decades. He has given his consent to act as a Director of the Company, if appointed.

A Notice under Sub-Section(1-A) of Section 257 of the Companies Act, 1956 has been received by the Company from a shareholder of the Company intending to propose Mr A L Somayaji as a Director along with a deposit of Rs.500.

No Director of the Company other than Mr A L Somayaji is concerned or interested in this item of business.

#### ITEM No. 7

Commodore R P PREM KUMAR is a Science Graduate from Presidency College who served in the Indian Navy from 1966 to 1995. During these years, he dealt with active day-to-day operations of surface ships, aircrafts and submarines with specific reference to exploitation of naval weapons. By virtue of the specialized training received at the Institute of Armament Technology (IAT), Pune he co-ordinated various classified projects and R&D programs at the national level. He has represented Govt. of India in various Committees to ensure smooth negotiation, ratification, execution and induction of naval weapons involving global arms suppliers. Prior to seeking voluntary retirement in 1995, to meet domestic commitments, he was Controller and Chief Co-ordinator (Missile Projects) at Hyderabad. In 1985, he was commended by the Chief of Naval Staff for professional competence. In 1990, he was awarded the Vishisht Seva Medal by the President of India for excellent leadership quality and resource planning ability.

He was our Adviser (R&D) after Mr Roland F Chireau had left India. During his tenure as Adviser, our Company was able to obtain his valuable advice on many technical matters.

The company will greatly be benefitted by his expertise in technical and commercial acumen, which he has acquired over more than three decades. He has given his consent to act as a Director of the Company, if appointed.