



**THE STANDARD BATTERIES LTD.**



**53rd ANNUAL REPORT 1999-2000**

## 53rd ANNUAL REPORT, 1999 - 2000

**Board of Directors**Mr. V. R. Sinha, **Chairman**

Mr. R. S. Jhavar

Mr. T. R. Swaminathan

Mr. S. C. Joshi

Mr. R. M. Solanki

Mr. F. J. Guzdar, **Whole - time Director****Bankers**

ANZ Grindlays Bank  
Bank of India  
State Bank of Mysore

**Auditors**

Messrs. Dalal Desai & Kumana  
Mumbai

**Registrars & Share Transfer Agents**

M/s IIT Corporate Services Ltd.  
IIT House,  
Off. M. Vasanji Road,  
Near J. B. Nagar,  
Andheri (East)  
Mumbai - 400 059.  
Tel. No. 8225599

**Solicitors**

Messrs. Crawford Bayley & Co.  
Mumbai

Messrs. Udwadla Udeshi & Berjis  
Mumbai

**Registered Office**

11/A, Girikunj,  
N. S. Patkar Marg,  
Mumbai - 400 007.  
Tel. No. : 387 2629-30  
Fax No. 3804967

**Contents****Page No.**

Notice .....	2
Directors' Report .....	6
Auditors' Report .....	8
Balance Sheet .....	10
Profit & Loss Account .....	11
Schedules to Accounts .....	12
Cash Flow Statement .....	22
Proxy Form .....	23



## 53rd ANNUAL REPORT, 1999 - 2000

**Notice of 53rd Annual General Meeting:**

Notice is hereby given that Fifty Third Annual General Meeting of the Company will be held as Scheduled below.

Day : Wednesday

Date : September 27, 2000

Time : 10.00 a.m.

Venue : Khar Gymkhana, 13th Road, Khar (W), Mumbai - 400 052.

**The Agenda for the meeting will be as under:****Ordinary Business :**

- 1) To receive, consider and adopt the Audited Statement of Accounts for the financial year ended 31st March, 2000 and the report of the Directors and Auditors thereon.
- 2) To elect a Director in place of Mr.V.R.Sinha who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect a Director in place of Mr. F.J.Guzdar who retire by rotation and being eligible, offers himself for re-election.
- 4) To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT Messrs. Dalal Desai & Kumana, Chartered Accountants, Mumbai be and are hereby appointed as 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 remuneration to be decided by the Board of Directors and they be paid in addition, the out of pocket and / or traveling expenses, that they may incur in carrying out their duties.

**Special Business :-**

- 5) To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 the Company hereby approves and confirms the appointment of Mr.F.J.Guzdar as a wholetime Director of the Company for a period of one year from 1st October, 1999 and also approves and confirms for a further period of one year from 1st October, 2000 on the remuneration set out in the draft agreements to be executed between the Company and Mr.F.J.Guzdar and placed before the meeting and initialed by the Chairman for the purpose of identification."

- 6) To consider and, if thought fit, to pass the following resolution with or without modification, 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 Articles of Association of the Company be and are hereby altered as under:

- a) The following new definitions be inserted after the definition "Writing" in Article 2 of the Articles of Association of the Company.

"Beneficial Owner" shall mean the beneficial owner as defined in Section 2(1)(a) of the Depositories Act.

"Bye-laws" means the bye-laws made by a depository under Section 26 of the Depositories Act.

"Depositories Act" means the Depository Act and shall include any statutory modification or re-enactment thereof for the time being in force;

"Depository" means a Depository as defined in Section 2(1)(e) of the Act.

"Record" means a record as defined in Section 2(i) of the Depositories Act.

"Registered Owner" means a registered owner as defined in Section 2(1)(j) of the Depositories Act.

"SEBI" means the Securities and Exchange Board of India.

"Security" means shares, debentures and other securities as may be specified by the SEBI from time to time.

- B) The definition of "member's" in Article 2 of the Articles of Association of the Company be substituted with the following new definition.

"Member" means the duly registered holders from time to time of the Shares of the Company and include the subscribers to the Memorandum of Association of the Company and Beneficial Owners.

- c) After Article 25, the following new Article 25A, 25B, 25C and 25D with the following marginal notes shall be inserted after Article 25 of the Articles of Association of the Company.

**DEMATERIALISATION OF SECURITIES :**

**25A** "Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise and/or rematerialise its Securities, held in the Depositories and to offer its Securities in dematerialised form pursuant to the Depositories Act."

**OPTIONS FOR INVESTORS:**

**25B** "Every person subscribing to 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 the Depository, if permitted by the law, in respect of the 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 certificate of Securities.

**SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM :**

**25C** "all securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of Securities held by it on behalf of the Beneficial Owners. No certificate shall be issued for the securities held by Depository."

**DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY:**

**25D** "Nothing contained in the act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to Securities held with a Depository."

- d) The following new Article be inserted as Article 114A with following marginal notes after Article 114 of the Articles of Association of the Company.

**VOTING RIGHT OF DEPOSITORIES AND BENEFICIAL OWNER:**

**114A** "Notwithstanding anything to the contrary contained in the Act or in these Articles, a Depository shall deemed to be Registered Owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.

Save as otherwise provided hereinabove, the Depository as a Registered Owner shall not have any voting rights or any other rights in respect of securities held by it.

## 53rd ANNUAL REPORT, 1999 - 2000



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 shall be entitled to all the rights and benefits and shall be subject to all the liabilities in respect of such of his Securities which are held by a Depository."

- e) The following new Article shall be inserted as Article 8A with the following marginal notes after Article 8 of the Articles of Association of the Company.

#### ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY:

**8A** "Notwithstanding anything contained 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."

- f) The Following new Article shall be inserted as Article 25E with the following marginal notes after Article 25 of the Article of Association of the Company :-

**25E** "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 purpose of these Articles."

- g) The following new Article shall be inserted as Article 65A, 65B and 65C with following marginal notes :-

#### TRANSFER OF SECURITIES:

**65** "(a) 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 Owners in the records of a Depository.

- (b) In case of a transfer or transmission of shares or other Marketable Securities where the Company has not issued any certificates and where such shares or other Securities are being held in an electric or fungible form in a Depository, the provisions of the Depositories Act shall apply."

#### SERVICE OF DOCUMENTS :

**65 B** "Notwithstanding anything contained in the Act or the 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."

#### REGISTER AND INDEX OF BENEFICIAL OWNERS:

**65C** "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 purpose of these Articles."

#### h) ARTICLE 77 SHALL COMMENCE WITH FOLLOWING WORDS:-

"In the absence of a nomination recorded in accordance with Section 109A of the Act, which shall in any event have precedence,....."

- i) The following Article 77A shall be inserted after the existing Article 77 with following marginal notes:-

#### RIGHT OF NOMINATION :-

**77A** (1) Every holder of shares in or debentures of the Company, may at any time, nominate a person to whom his share (s) or debenture (s) shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate a person to whom all the right 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 in debentures of the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of 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."

#### OPTION TO NOMINEE :-

**77B** (1) A nominee, pursuant to Article 77A and the provisions of the Act, upon the production of such evidence as may be required by the Board and subject as herein after provided, elect, either-

(a) to register himself as holder of the shares or debentures, as the case may be or

(b) to make such transfer of the shares or debentures, 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 shares 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 becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided 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 requirement of the notice have been complied with.

Mumbai

Dated : 18.8.2000

Registered office:

11/A, Girikunj,

N.S.Patkar Marg,

Mumbai- 400 007

By order of the Board of Directors

**B.N.SHAH**  
COMPANY SECRETARY

**Notes:**

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING

2) The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.

3) Members are requested to bring their copies of the Annual Report to the meeting.

4) The Register of Members and Share Transfer Book of the Company will remain closed from 23rd September, 2000 to 27th September, 2000. (both days inclusive)

**Annexure to Notice :****Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.****Item No. 5:**

The Members at the 51st Annual General Meeting held on 30th November, 1998 had approved the appointment of Mr. F. J. Guzdar as a *Wholtime Director* for a period of 1 year from 1st October, 1998 to 30th September, 1999.

Mr.F.J.Guzdar was re-appointed as a *wholtime Director* of the Company for a period of one year from 1 st October, 1999 to 30th September, 2000 by the Board of Directors at its meeting held on 30th September, 1999, and for a further period of one year from 1st October, 2000 to 30th september, 2001 by the Board of Directors at its meeting held on 18th August, 2000 on the remuneration and other terms set out in the draft agreements to be entered into between the Company and Mr.F.J.Guzdar. His appointment and the remuneration payable to him are subject to the approval of shareholders in General Meeting.

The material terms of the draft agreements between the Company and Mr.F.J.Guzdar referred to in the resolution at Item No.5 of the notice are as under.

A. Salary of Rs.32000/- per month

B. 1% Commission on the net profits of the Company, subject to a ceiling of 50% of the salary.

**C. Category A**

## 1. Housing :

Housing- I) The expenditure by the Company on hiring furnished accommodation will be subject to a ceiling of sixty percent of the salary over and above ten percent payable by Mr.F.J.Guzdar.

Housing - II) In case of the accommodation is owned by the Company, ten percent of the salary of Mr.F.J.Guzdar shall be deducted by the Company.

Housing -III) In case no accommodation is provided by the Company, Mr.F.J.Guzdar shall be entitled to house rent allowance subject to the ceiling laid down in Housing -I

2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962 subject to a ceiling of ten percent of the salary.

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

4. Leave Travel Concession : For self and family once in a year incurred in accordance with the rules specified by the Company.

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

6. Personal Accident Insurance : Premium not to exceed Rs..4000/- per annum.

Explanation : For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr.F.J.Guzdar.

**Category B**

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income- Tax Act.

2. Gratuity payable should not exceed half month's salary for each completed year of service.

3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.



## 53rd ANNUAL REPORT, 1999 - 2000

**Category C**

1. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr.F.J.Guzdar.

The maximum ceiling of perquisites under category A will be restricted to an amount equivalent to the annual Salary or Rs.,400000/- per annum, whichever is less.

D. The Wholtime Director is also entitled to privilege leave of one month for every eleven months of service.

E. Mr.F.J.Guzdar shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

F. Mr.F.J.Guzdar shall not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency of the Company during the aforesaid period of employment without the prior approval of the Central Government.

G. Mr.F.J.Guzdar shall be entitled to reimbursement of all actual expenses on entertainment and travelling, incurred in the course of the Company's business.

The aforesaid remuneration is within the limits specified in Schedule XIII to the Companies Act, 1956.

The above may be treated as an abstract under Section 302 of the Companies Act, 1956.

A copy of each draft agreements referred to at Item No. 5 of the accompanying Notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company, at its Registered office.

Mr.F.J.Guzdar has over 35 years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1989 and as Vice President (Corporate) since, 1997. Your Directors are of the view that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr.F.J.Guzdar. Your Board accordingly recommends his - re - appointment.

Mr. F.J.Guzdar is interested in the resolution at Item Nos. 5 of the notice since it relates to his own appointment and the remuneration payable to him.

**Item No.6**

With the enactment of Depositories Act, 1996 and the introduction of the Depository System, certain provisions of the Companies Act, 1956 relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation and operation of the Depository system. The depositories system of holding securities in an electronic form is considered to be a far safer and more convenient method for holding and trading in the securities of a Company. Your Company proposes to join the depository system and in view thereof, the Company's Articles of Association require to be suitably altered as set out in the Resolution at item no. 6 of the accompanying Notice so that the Articles of Association of the Company are in line with the provisions of the Companies Act, 1956 read with the Depositories Act, 1956.

Further, as per the provisions of Sections 109A and 109B of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999, every holder of shares in, or debentures of, the Company may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death. It is therefore proposed to amend Article 77 and insert new Articles 77A and 77B in the Articles of Association of the Company.

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

Registered Office:

11/A/Grikunj,

N.S.Patkar Marg,

Mumbai- 400 007

Dated: 18.8.2000

By Order of the Board of Directors,

**B.N.SHAH**

COMPANY SECRETARY