



THE STANDARD BATTERIES LTD.



54th ANNUAL REPORT 2000 - 2001

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

Mr. R. S. Jhawar

Mr. T. R. Swaminathan

Mr. S. C. Joshi

Mr. R. M. Solanki

Mr. F. J. Guzdar, **Whole-Time Director****Company Secretary**

Mr. B. N. Shah

Bankers

Standard Chartered Grindlays Bank
 Bank of India
 State Bank of Mysore
 Sumitomo Mitsui Banking Corporation

Solicitors

Messrs Crawford Bayley & Co.
 Mumbai
 Messrs Little & Co.
 Mumbai

Auditors

Messrs Dalal Desai & Kumana
 Mumbai

Messrs Udawadia Udeshi & Berjis
 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

Registered Office

11/A, Girikunj,
 N. S. Patkar Marg,
 Mumbai - 400 007.
 Tel. No. : 3872629-30
 Fax No. : 3804967



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**Notice of 54th Annual General Meeting:**

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

Day : Friday

Date : 28th Sept., 2001

Time : 11.00 a.m.

Venue : Khar Gymkhana, 13th Road, Khar (W), Mumbai 400052.

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, 2001 and the report of the Directors and Auditors thereon.
- 2) To elect a Director in place of Mr. S. C. Joshi who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect a Director in place of Mr. R. M. Solanki who retires 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 travelling expenses, that they may incur in carrying out their duties.

Special Business :-

- 5) To consider and, if thought fit, to pass, with or without modifications the following resolutions as Ordinary Resolutions:
 - a) "RESOLVED THAT the authorised equity share Capital of the Company be altered by sub-division of 1,47,50,000 equity shares of Rs.10/- each into 29,50,00,000 equity shares of Rs.0.50 paise each ."

Provided however that this resolution shall take effect only upon and subject to confirmation and approval by the High Court of Judicature at Bombay ("Court") of the reduction of the paid up equity capital of the Company effected by a separate resolution passed at this meeting either in the manner proposed in that resolution or with such modifications as the Court may order and

upon the delivery to the Registrar of Companies, Maharashtra, of a certified copy of the order of the Court confirming the reduction of the paid up equity share capital and of a minute approved by the Court, showing the capital as specified in Section 103 of the Companies Act, 1956 and registration thereof by him as provided in the said section.

- b) "RESOLVED THAT the Memorandum of Association of the Company be altered by substitution of the existing clause 5 of the Memorandum, the following clause:

"5. The Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 29,50,00,000 equity shares of Rs.0.50 paise each and 25,000 Cumulative Redeemable Preference Shares of Rs. 100/- each."

The Company has power from time to time to increase or reduce its capital and issue any share in the original or new capital as ordinary, preferred or deferred shares or any one or more of them and to attach to any class or classes of such shares (existing or new) such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise howsoever over any other shares of the Company as far as necessary to give effect to the same and to subdivide or consolidate any shares (existing or new) and upon any sub-division or consolidation of any shares to apportion the right to participate in the profit in any manner, provided that if and whenever the capital of the Company is divided into shares of various classes with any preferential or special rights attached thereto such rights shall not (except where the terms of issue thereof otherwise provide) be varied, modified, affected or dealt with in any manner otherwise than in accordance with the Articles of Association of this Company or the legislative provision for the time being in the force in that behalf."

Provided however that this resolution shall take effect only upon and subject to confirmation and approval by the High Court of Judicature at Bombay ("Court") of the reduction of the paid up equity capital of the Company effected by a separate resolution passed at this meeting either in the manner proposed in that resolution or with such modifications as the Court may order and upon the delivery to the Registrar of Companies, Maharashtra, of a certified copy of the order of the court confirming the reduction of the paid up equity share capital and of a minute approved by the Court, showing the capital as specified in Section 103 of the Companies Act, 1956 and registration thereof by him as provided in the said section.

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



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- a) "Resolved that the Articles of Association of the Company be altered by substitution for the existing article 4(a), the following article:

"4(a). The Capital of the Company shall be Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 29,50,00,000 equity shares of Rs.0.50 paise each and 25,000 Cumulative Redeemable Preference Shares of Rs.100/- each."

Provided however that this resolution shall take effect only upon and subject to confirmation and approval by the High Court of Judicature at Bombay ("Court") of the reduction of the paid up equity capital of the Company effected by a separate resolution passed at this meeting either in the manner proposed in that resolution or with such modifications as the High Court may order and upon the delivery to the Registrar of Companies, Maharashtra, a certified copy of the order of the Court confirming the reduction of the paid up equity share capital and of a minute approved by the Court, showing the capital as specified in Section 103 of the Companies Act, 1956 and registration thereof by him as provided in the said section.

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

"Resolved that subject to the approval and confirmation by the High Court of Judicature at Bombay ("Court") and other appropriate authorities as may be required, the paid-up equity share capital of the Company be and is hereby reduced from Rs.10,34,22,500/- (Rupees Ten Crores Thirty Four Lakhs Twenty Two Thousand Five Hundred Only) comprising of 1,03,42,250 equity shares of Rs. 10/- each fully paid-up to Rs.51,71,125/- (Rupees Fifty One Lakhs Seventy One Thousand One Hundred Twenty Five Only) comprising of 1,03,42,250 equity shares of Rs.0.50 paise each fully paid-up, by the cancellation of Rs.9.50 paise from every fully paid-up existing equity share of Rs.10/- each, aggregating to Rs.9,82,51,375/- (Rupees Nine Crores Eighty Two Lakhs Fifty One Thousand Three Hundred Seventy Five Only) and setting off and adjusting against, and in reduction of, the balance of carried forward losses of the Company which presently amounts to Rs.18,45,78,053.72 (Rupees Eighteen Crores Fourty Five Lakhs Seventy Eight Thousand Fifty Three and Paise Seventy Two Only).

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts and things, execute all such applications, documents, papers and writings and file all such petitions and other pleadings in the Court as they may think necessary for the purpose of obtaining the approval and confirmation of the Court for the reduction of the Capital in the form proposed by this resolution or in such modified form as may be ordered by the Court.

Further resolved that the Board of Directors of the Company be and are hereby authorised to deliver a certified copy of any such order of the Court confirming the reduction of Capital and other document as by law may be required, to the Registrar of Companies, Maharashtra.

Provided however that this resolution shall take effect only upon and subject to confirmation and approval by the Court approving and confirming the reduction of the paid up equity share capital of the Company either in the form proposed in this resolution for reduction of capital or in such modified form as the said Court may order and upon delivery of a certified copy of the order of the Court, approving the reduction of capital and other documents as required by law to the Registrar of Companies, Maharashtra, and registration by him of the said order and the said documents or any of them as per the requirements of law.

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

Resolved that Clause 3 of the Memorandum of Association of the Company be altered by the insertion of the under- mentioned sub-clauses after clauses (j) as sub-clauses j(a) & j(b)

j(a) To buy, sell, import, export, repair or otherwise deal in, alter, improve, exchange, let or hire all kinds of goods, products, articles and commodities including, but not limited to, engineering goods and food articles.

j(b) To establish, maintain, conduct, provide, procure and make available services and facilities of every kind including commercial, statistical, financial, accountancy, medical, legal, computer training, social services and to take such steps as may be necessary for the purpose.

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

"Resolved that the consent of the shareholders of the Company be and is hereby given, as provided under Section 149 (2-A) and other applicable provisions, if any, of the Companies Act, 1956 for the commencement of business included at serial no. j (a) & j (b) in paragraph 3 of the Memorandum of Association of the Company.

Registered Office
11/A, Girikunj,
N.S. Patkar Marg,
Mumbai - 400 007.

By Order of the Board of Directors

Dated : 26th June, 2001

B. N. SHAH
COMPANY SECRETARY

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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 Books of the Company will remain closed from 22-9-2001 to 28-9-2001 (both days inclusive)

ANNEXURE TO NOTICE :

Explanatory statement pursuant to Section 173 of the Companies Act, 1956

Item No. 5, 6 & 7

The authorised equity share capital of the Company is presently Rs.15,00,00,000/- (Rupees Fifteen Crores) and the paid up equity share capital of the Company is Rs. 10,34,22,500/- (Rupees Ten Crores Thirty Four Lakhs Twenty Two Thousand Five Hundred Only) comprising of 1,03,42,250 equity shares of Rs. 10 each fully paid up. The Company has substantial carried forward losses amounting at present to Rs. 18,45,78,053.72 (Rupees Eighteen Crores Fourty Five Lakhs Seventy Eight Thousand Fifty Three and Paise Seventy Two Only). A reduction of capital by cancellation of Rs. 9.50 paise per existing paid up equity share of Rs. 10/- each is therefore being proposed in order that the existing Share Capital of the Company after reduction would fairly reflect the assets of the Company.

The proposed reduction of capital will require the approval of the High Court of Judicature at Bombay and upon filing of the order of the High Court of Judicature at Bombay, approving and confirming the reduction of paid up equity share capital of the Company, and will take effect only upon filing of a certified copy of the said order with and registration of the said order by Registrar of Companies, Maharashtra. If the proposed reduction of the capital is approved, and confirmed by the said High Court and a certified copy of the Court's order is filed with ROC, Maharashtra, it would be necessary, that the existing authorised equity shares of Rs. 10/- each fully paid up also be sub-divided into an equivalent number of equity shares of Rs. 0.50 paise each and appropriate amendments to the Memorandum and Articles of Association of the Company are therefore being proposed. These amendments to the Memorandum & Articles of the Company will take effect only upon

the proposed reduction of capital being approved and confirmed by the High Court of Judicature at Bombay and the order of the said High Court approving such reduction being filed with and registered by the Registrar of the Companies, Maharashtra, at Bombay.

The Directors recommend the resolutions for approval of shareholders.

None of the Directors of the Company is concerned or interested in the proposed resolutions.

Item No. 8 & 9

As shareholders are aware, the business undertaking consisting of entire battery business of the Company was sold /transferred to M/s Exide Industries Ltd. effective 16th February, 1998. Since then the Company is not carrying out any manufacturing activities. To help the Company expand / explore its business in new fields and consequently add to its profitability, the Board of Directors needs approval of the members by way of a special resolution as mentioned in item no.8 .

The proposed new business can be advantageously carried on with the existing business and can add to the profits of the Company. In accordance with provisions of Section 17 of the Companies Act, 1956, the object clause of the Memorandum of Association can be altered only by a special resolution at a general meeting.

To enable the Board of Directors to commence and undertake all or any of the businesses as mentioned in the proposed clauses j(a) & j(b) of the Memorandum of Association of the Company, fresh approval of the shareholders is sought under Section 149 (2A) of the Companies Act, 1956 as a matter of expedience vide the special resolution as mentioned in item no. 9.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations will be available for inspection by the shareholders at the registered office of the Company at any time between 11.00 a.m. to 1.00 p.m. on any working day except Saturday, Sunday and holidays upto the date of Annual General Meeting.

The Board of Directors, therefore, recommend passing of the special resolutions.

None of the Directors of the Company is concerned or interested in the proposed resolutions.

Registered Office
11/A, Girikunj,
N.S. Patkar Marg,
Mumbai - 400 007.

By Order of the Board of Directors

B. N. SHAH

Dated : 26th June, 2001

COMPANY SECRETARY



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DIRECTORS' REPORT

To the members of **The Standard Batteries Limited**

54th Annual Report

Your Directors are pleased to present herewith the 54th Annual Report of the Company, consisting of the Audited Accounts for the financial year ended 31st March, 2001 together with the Directors' report and the Auditors' report thereon.

FINANCIAL RESULTS:**(Rs. in lakhs)**

	31st March, 2001	31st March, 2000
Sales & Services	0.15	12.12
Other Income	113.73	100.71
	113.88	112.83
Less: Expenses	102.18	100.51
Profit & (loss) before taxation	11.70	12.32
Provision for taxation	—	—
Profit & (loss) after taxation	11.70	12.32
Less: Extra Ordinary Items		
Labour Settlement Expenses	420.52	—
	(408.82)	12.32
Add/(Less): Balance in		
Profit and Loss Account b/f	(1845.78)	(1858.10)
Prior Period Adjustment	(2.15)	—
Transfer from General Reserve	398.04	398.04
Balance of Profit/(Loss)		
carried to Balance Sheet	(1858.71)	(1447.74)

DIVIDEND:

Your Directors regret their inability to recommend any dividend during the year under review.

ANALYSIS OF RESULTS 2000-2001

As shareholders are aware, the business undertaking consisting of the entire battery business of the Company was sold / transferred to M/s Exide Industries Ltd. (EIL) effective 16th February 1998. During the year under review, the Company's business activities were restricted to service activities in a limited manner.

SETTLEMENT WITH EIL:

Settlement with M/s Exide Industries Ltd. (EIL) had been pending since February 16, 1998 so far as the valuation of Net Current

Assets was concerned. The matter had been discussed in the Board Meetings from time to time and the issues involved are known to the shareholders. Specifically, the Company made all attempts to persuade EIL for higher valuation of the Net Current Assets, however, EIL have categorically refused to increase the valuation beyond Rs.18.76 Crores. As per advice of the Board, possibility of arbitration was explored. The Company's solicitors however advised against arbitration. The Company was losing approximately Rs. 4 lakhs per month because of the delay in settlement. Additionally, an agreement signed on October 23, 2000 with the Datta Samant group of workers which required that certain payments be made to 182 workmen.

Keeping in view the above an agreement was signed by the Company with EIL on 28.11.2000 accepting the valuation for Net Current Assets of Rs. 18.76 crores as determined by a firm of Chartered Accountants. Immediately after signing of the above agreement, the Company received the balance amount of Rs.3.76 crores as full and final settlement from Exide Industries Ltd.

LABOUR DISPUTE :

The long pending labour dispute with the Datta Samant affiliated, Standard Batteries Employees' Union was settled through the intervention of the Honourable Minister of Labour, Government of Maharashtra. An Agreement dated 23.10.2000 was signed with the Standard Batteries Employees' Union in regard to settlement with dismissed workmen. The settlement amount of Rs.420.52 lakhs is shown in the Accounts under "Extraordinary Items".

FUTURE PLANS OF THE COMPANY:

The Company is examining the desirability of various business proposals. Shareholders approval will be obtained once a viable proposal is identified as suitable for the Company.

REDUCTION OF SHARE CAPITAL :

The Company proposes to reduce its Capital, subject to approval of the shareholders, from Rs.1034.22 lakhs (represented by 103,42,250 shares of Rs.10/- each) to Rs. 51.71 lakhs (represented by 103,42,250 shares of Rs. 0.50 paise each) to more appropriately reflect the tangible assets of the Company.

ALTERATION OF THE 'OBJECT' CLAUSE IN THE MEMORANDUM OF ASSOCIATION :

Shareholders approval is sought for an amendment to the objects clause in the Memorandum of Association so that Company can pursue business activities in other viable areas.

DIRECTORS:

During the year under review there were no new appointments /resignations on the Board of the Company.