



THE STANDARD BATTERIES LIMITED



57TH ANNUAL REPORT 2003 - 2004

**Board of Directors**

Mr. T. R. Swaminathan, **Chairman**
 Mr. R. S. Jhawar
 Mr. S. C. Joshi
 Mr. F. J. Guzdar, **Whole-Time Director**

Company Secretary

Mr. B. N. Shah

Bankers

Bank of India
 HDFC Bank
 State Bank of Mysore

Auditors

Messrs Dalal Desai & Kumana
 Mumbai

**Registrar & Share*
 Transfer Agents**

M/s. IIT Corporate Services Ltd. (upto 30.09.2004)
 Protoprima Chambers, 3rd Floor,
 Suren Road, Near Cinemagic Theatre,
 Andheri (East), Mumbai - 400 093.
 Tel. No. : 2683 5599, 2683 1416
 Fax No. : 2684 8375

***Members are hereby informed that
 w.e.f. 1-10-2004 following will be the new
 Registrar & Share Transfer Agents**

M/s Sharepro Services
 Satam Estate, 3rd flr., Above Bank of Baroda,
 Cardinal Gracious Road, Chakala,
 Andheri (E), Mumbai 400099.
 Tel. No. : 2821 5168, 2834 8218
 Fax No. : 2837 5646

Solicitors

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

Registered Office

11/A, Girikunj,
 N. S. Patkar Marg,
 Mumbai - 400 007.
 Tel. No. : 2387 2629-30
 Fax No. : 2380 4967

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NOTICE OF 57TH ANNUAL GENERAL MEETING:

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

Day : Tuesday

Date : 28th September, 2004

Time : 11.00 A.M.

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

THE AGENDA FOR THE MEETING WILL BE AS UNDER:

1) To receive consider and adopt the Audited Statement of Accounts for the financial year ended 31st March, 2004 and 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 consider and, if thought fit to pass, with or without modification, the following resolution as a special resolution

"RESOLVED THAT Messrs. B. K. Khare & Company, 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, out of pocket and / or traveling expenses that they may incur in carrying out their duties."

Special Business :-

4) To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution

"RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956 (hereinafter called "the act"), the Company hereby approves that the Registers of Members, indices of Members, copies of all Annual Returns prepared by the Company under Section 159 of the Act together with copies of Certificates and Documents required to be annexed thereto under Section 161 of the Act, or any one or more of them shall, with effect from 01.10.2004, be kept at the offices of Messrs Sharepro Services, the Registrars and the Share Transfer Agent, at Satam Industrial Estate, Cardinal Gracious Road, above Bank of Baroda, Chakala, Andheri (East), Mumbai - 400 099 and / or at Samhita Warehousing Complex, Gala Nos. 52 to 56, Plot No. 13AB, Sakinaka, Mumbai - 400 072, instead of at the Registered Office of the Company.

RESOLVED FURTHER that the Registers, indices, Returns, Books, Certificate and Documents of the Company required to be maintained and kept open for inspection by the Members and / or any persons entitled thereto under the Act, be kept open for such inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act between the hours 11.00 a.m. to 1.00 p.m. on working day (excluding Saturday) and except

when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company."

Registered Office:

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

By order of the Board of Directors

B.N.SHAH

Dated:- 29th June, 2004

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

3) The register of members and share transfer books of the Company will remain closed from September 15, 2004 to September 28, 2004 (both days inclusive)

ANNEXURE TO NOTICE :-

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

Item No. 4

M/s. IIT Corporate Services Ltd., Company's present Registrar and Transfer Agent have indicated to the Company that they will be shortly moving out of the business of Registrar and Transfer Agent. In view of this fact the Board of Directors of the Company has appointed M/s. Sharepro Services as new Registrar and Share Transfer Agent of the Company w.e.f. 1st October, 2004.

As per the provisions of the Section 163 of the Companies Act, 1956, the proposed resolution is required to be passed for shifting of the statutory records at the office of the Registrar which is within the city limits of the Registered Office of the Company, i.e. Mumbai.

The Directors recommend the resolution for approval of share holders.

The Directors of the Company may be considered to be concerned or interested in the resolution to the extent of the Shares, if any, held by them respectively.

Registered Office:

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

By order of the Board of Directors

B.N.SHAH

Dated:- 29th June, 2004

COMPANY SECRETARY

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DIRECTORS' REPORT

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

57TH ANNUAL REPORT:

Your Directors are pleased to present herewith the 57th Annual Report of the Company, consisting of the Audited Accounts for the financial year ended 31st March, 2004 together with the Directors' Report and the Auditors' Report thereon.

FINANCIAL RESULTS

	(Rs. in 000)	
	31st March 2004	31st March 2003
Sales & Service	136	213
Other Income	13082	15323
	13218	15536
Less: Expenses	10092	17351
Profit & (loss) before taxation	3126	(1815)
Provision for taxation (for earlier years)	—	(194)
Exceptional items (net)	339	—
Profit/(Loss) for the year	3465	(2009)
Add/(Less): Balance in Profit and Loss Account b/f	(127879)	(125870)
Transfer from General Reserves	39804	39804
Balance of Profit / (Loss) carried to Balance Sheet	(84610)	(88075)

DIVIDEND :

Your Directors regret their inability to recommend any Dividend for the year under review.

ANALYSIS OF RESULTS 2003-04 :

Commodity trading during the year under review resulted in a turnover of Rs.1.36 lakhs. Efforts are being made to increase turnover in the following year.

LABOUR DISPUTE :

As reported in the previous year, an agreement dated 23.10.2000 was signed with the Standard Batteries Employees' Union in regard to settlement with dismissed workmen. Under the terms of this agreement, the Company paid these workmen two thirds of the amount due to them. The balance one third became payable as and when the Union/Workmen withdrew the cases filed by them against the Company. The Union/Workmen, despite having agreed to do so, have so far not withdrawn these cases. As a consequence, the balance one third dues have not been paid by the Company.

FUTURE PLANS OF THE COMPANY :

Apart from trading activities, the Company is continuously examining other avenues of business to provide value addition to stake-holders. No sooner such avenue emerges, the Company after proper evaluation, will undertake such new activity to augment the revenues of the Company commensurate with the available resources.

DIRECTORS :

In terms of Articles 148 & 149 of the Articles of Association of the Company, Mr. S. C. Joshi retires by rotation but being eligible, offers himself for re-election.

DEPOSITS :

The Company has deposited unclaimed deposit in the Investor Education & Protection Fund on 06.01.2003 as reported in the last financial report. The Company has not accepted any public deposit during the financial year and, as such, has no outstanding fixed deposit as on 31.03.2004.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS :

Since the Company has sold its entire business undertaking to Exide Industries Ltd., effective February 1998, the above particulars are no more relevant.

PARTICULARS OF EMPLOYEES :

No employee is covered under the provision of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended and, as such, there is nil information to submit.

AUDITORS :

M/s. Dalal Desai & Kumana, Chartered Accountants, Mumbai, the existing Auditors of the Company retired at the forthcoming Annual General Meeting and have expressed their inability to continue as Statutory Auditors of the Company for the year ending March 2005 vide their letter dated June 22, 2004.

The Company has approached M/s. B. K. Khare & Company, Chartered Accountants for their appointment as Statutory Auditors of the Company for the financial year ended 31.03.2005. They have conveyed their willingness to accept this appointment as Statutory Auditors of the Company for the financial year ended 31.03.2005 subject to the approval of members at the ensuing Annual General Meeting and also have confirmed that such appointment would be within the limit specified in Section 224(1-B) of the Companies Act, 1956.

As the Financial Institution, Nationalised Bank and General Insurance Companies hold more than 25% of the subscribed share capital of the Company, the appointment of M/s. B. K. Khare & Company as Auditors of the Company require the passing of a special resolution pursuant to Section 224A of the Companies Act, 1956 which will be proposed at the forthcoming Annual General Meeting.

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**CORPORATE GOVERNANCE :**

Since the Company's paid up equity capital now stands reduced to Rs.51.77 lakhs, your Company does not come under the purview of amended Clause 49 of the listing agreement of Corporate Governance. However, the Company has been practising the principles of good Corporate Governance over the years and is committed to follow sound systems to support healthy business growth.

DIRECTORS' RESPONSIBILITY STATEMENT :

Directors hereby confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS' OBSERVATIONS :

The observation of the Auditors are clarified in the appropriate notes to the Accounts.

ACKNOWLEDGEMENTS :

The Directors wish to thank the Government of India and various State Government Authorities, Public Financial Institutions, the Bankers, Auditors and Solicitors of the Company for the guidance, advice and assistance rendered by them from time to time. The Directors also thank the shareholders for their continued support to the Company.

For and on behalf of the
Board of Directors,

Mumbai
Dated : 29th June, 2004

T. R. Swaminathan
CHAIRMAN

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AUDITORS' REPORT

TO

THE MEMBERS OF

THE STANDARD BATTERIES LIMITED.

1. We have audited the attached Balance Sheet of **The Standard Batteries Limited** ('the Company') as at March 31, 2004, and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 ('the Act'), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of the written representations received from the directors, as on March 31, 2004 and taken on record by the Board of Directors, other than the nominee director appointed by The Life Insurance Corporation of India, who is not liable to be disqualified from appointment as director, we report that none of the directors are disqualified as on March 31, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

- f) This report is subject to following:

- a) *Note 4 regarding accounts having been prepared on a "going concern basis" for reasons stated therein;*
- b) *Note 5 regarding balances in accounts referred to in the said note, being subject to confirmation and reconciliation as at the balance sheet date.*

The impact of matters referred to in point (f) above is not quantifiable, and accordingly, the effect thereof on the financial statements cannot be ascertained.

- g) Except as stated in paragraph 4(f) above, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with significant accounting policies and the other notes to accounts, particularly notes 3.1 to 3.5 regarding disputed tax/duty demands, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2004; and
 - ii. in the case of the profit and loss account, of the profit for the year ended on that date.
 - iii. in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Dalal Desai & Kumana**
Chartered Accountants

Mumbai
Dated : June 29, 2004

Vijay N. Bhatt
Partner
(Membership No. : F-36647)