



THE STANDARD BATTERIES LIMITED





61ST ANNUAL REPORT, 2007 - 2008

Board of DirectorsMr. V. R. Sinha, **Chairman**

Mr. T. R. Swaminathan

Mr. R. S. Jhavar

Mr. S. L. Mundra

Mr. F. J. Guzdar, **Whole-Time Director****Solicitors**

Govind Desai Associates, Mumbai

Bankers

Bank of India

HDFC Bank

ICICI Bank

Auditors

Messrs B.K. Khare & Co.

Mumbai

Registered Office

11/A, Girikunj,

N. S. Patkar Marg,

Mumbai - 400 007.

Tel. No. : 2387 2629-30

Fax No. : 2380 4967

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

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**Notice of Annual General Meeting:**

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

Day : Tuesday

Date : 16th September, 2008

Time : 11.00 A.M.

Venue : Oters Club, Carter Rd., Bandra (W), Mumbai-400 050

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, 2008 and report of the Directors and Auditors thereon.
- 2) To elect a Director in the place of Mr. V.R.Sinha who retires by rotation and being eligible, offers himself for reelection.
- 3) To elect a Director in the place of Mr. R. S. Jhawar who retires by rotation and being eligible, offers himself for reelection.
- 4) 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 & Co., 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:

- 5) To consider and, if thought fit, to pass, with or without modification the following as an ordinary resolution.
"Resolved That pursuant the provisions of Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 the Company hereby approves the appointment of Mr.F.J.Guzdar as a wholetime Director of the Company for a period of one year from 01.04.2008 to 31.03.2009 on the remuneration set out in the draft agreement to be executed between the Company and Mr.F.J.Guzdar placed before this meeting and initialled by the Chairman for the purpose of the identification.

By order of the Board of Directors

Registered Office:

11/A, Girikunj,

N.S.Patkar Marg,

Mumbai - 400 007

Dated:- 27th June, 2008

F.J.GUZDAR
DIRECTOR

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 shares transfer books of the Company will remain closed from September 8, 2008 to September 16, 2008 (both days inclusive)

ANNEURE TO THE NOTICE :**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****Item No.5:**

Mr.F.J.Guzdar was re-appointed as a Wholetime Director of the Company for a period upto 31.03.2009 from 01.04.2008 by the Board of Directors on 01.02.2008 to comply with provision of Section 269 of the Act. The remuneration payable to Mr.F.J.Guzdar and other terms of employment are set out in the draft agreement to be entered into between the Company and Mr.F.J.Guzdar, keeping in view the provisions of Sections 269, 309,311 & Schedule XIII of the Act. His appointment and the remuneration payable to him are subject to the approval of shareholders of the Company at the general meeting.

The general terms of the draft agreement between the Company and Mr.F.J.Guzdar referred to in resolution in item no.5 of the notice are as under.

A. REMUNERATION:

Salary of Rs. 50,000/- - per month.

B. COMMISSION:

1% commission on the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.120000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES :**Category A****1. Housing:**

- Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary.

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- Housing - II) In case 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 furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.
 3. Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's 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.6000/- per annum.
 7. Contribution to Deferred Annuity @ 15% of the Salary.

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 deferred Annuity 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. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.
3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and personal use and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual Salary or Rs.6,00,000/- per annum, whichever is less.

- D. Mr.F.J.Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr.F.J.Guzdar shall also be entitled to attend the meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr.F.J.Guzdar shall be paid the aforesaid remuneration by way of salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or the profits are inadequate.
- G. Mr.F.J.Guzdar shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

A copy of the draft agreement between the Company and Mr.F.J.Guzdar referred to at Item No.4 of the notice will be open for inspection by members between 11.00 a.m. and 3.00 p.m. on any working day of the Company, at its Registered Office.

Mr.F.J.Guzdar has over 45 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. He has also already served the Company as a wholetime Director from 1.10.1998 to 31.03.2008. Your Directors feel 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 they relate to his own appointment.

By order of the Board of Directors

Registered Office:
11/A, Giri Kunj,
N.S.Patkar Marg,
Mumbai - 400 007
Dated:- 27th June, 2008

F.J.GUZDAR
DIRECTOR

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PARTICULARS OF DIRECTOR SEEKING APPOINTMENT IN THE ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON SEPTEMBER 16th, 2008, PUSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT.

Name of Director	V. R. Sinha	R. S. Jhawar
Age	69 Years	69 Years
Date of Appointment	10.02.2006	03.09.1999
Qualification	MSME (USA), B.SC. (ENG) - BIT, INDIA	B.Com., LLB, FCA, ACMA
Expertise in Specific Functional area	41 years Business experience in Automotive and Engineering Industries in USA and in India. Wide ranging and top management experience in Finance, Manufacturing, Marketing and Negotiating Investment and Licensing agreements involving US, European and Japanese Corporation. Managing Director of Kilburn Engineering Ltd till 31st March 2008. CEO/ Managing Director of The Standard Batteries Ltd (1988-1997), Executive Vice-President of Hindustan Motors Ltd. (1987-1998), Vice-Chairman and Managing Director of Gabriel India Ltd. (1978-1987) Mr. Sinha was earlier employed by Ford Motor co. in the United States.	Mr. Jhawar has been associated with Williamson Magor Group in various capacities since 1960. He has acquired considerable experience and expertise in general management, finance, taxation and other related areas. In addition to his specialization in corporate finance, he has considerable exposure to the Tea Industries. He was the Chairman of the Indian Tea Association for two consecutive terms i.e. 1999-2000, 2000-01 and Vice Chairman of the Tea Board of India. Mr Jhawar also represented the Indian Tea Industry at a number of International Conferences and Seminars in India and abroad.
Directorship held in other Indian Companies	Masi Consultancy (Pvt) Ltd.	Williamson Magor & Co. Ltd. Williamson Financial Services Ltd. McLeod Russel India Ltd. Metals Centre Ltd. Dufflaghar Investments Ltd. Queens Park Property Co. Ltd. Cosepa Fiscal Industries Private Ltd.
Particular of Committee Memberships with position in other Companies	N. A.	Chairman - Shareholders Grievance Committee - Williamson Financial Services Ltd. Member - Audit Committee - Williamson Financial Services Ltd. Remuneration Committee - Williamson Financial Services Ltd. Audit Committee - McLeod Russel India Ltd. Shareholders Grievance Committee - McLeod Russel India Ltd.

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**DIRECTORS' REPORT**

To the members of THE STANDARD BATTERIES LIMITED

61st ANNUAL REPORT

Your Directors are pleased to present herewith the 61st Annual Report of the Company consisting of the Audited Accounts for the financial year ended 31st March 2008 together with the Directors' Report and Auditors' Report thereon.

FINANCIAL RESULTS

(Rs. in 000)

	2007-08	2006-07
Sales & Service	2907	3059
Other Income	7238	5070
	10145	8129
Less : Expenses	8427	9344
Profit & (loss) before taxation	1718	(1215)
Provision for taxation (Fringe Benefit Tax)	56	58
Profit (loss) for the year	1662	(1273)
Add/(Less): Balance in Profit & Loss Account b/f	(125572)	(124299)
Less: General Reserve	39804	39804
Balance of Profit/(Loss) carried to Balance Sheet	(84106)	(85768)

DIVIDEND :

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

ANALYSIS OF RESULTS 2007-08:

Turnover during the year under review amounted to Rs.29.07 lakhs and the profit for the year is Rs.16.62 lakhs. Your Directors are continuing to explore new profitable business activities. The Directors are pleased to inform that, further refunds due from the Income Tax Department have been received, and are being deployed gainfully in the activities of the Company.

Labour Outstanding / Dispute :

As members are aware, an agreement dated 23.10.2000 was signed with the workmen and Standard Batteries Employee's Union for settlement with the dismissed workmen. Under the terms of this agreement the Company paid the workmen 2/3 of the total amount payable. The Balance 1/3 was to be paid as and when the union/ workmen withdrew the cases filed by them against the Company. However till date the union / workmen have not withdrawn these cases and consequently the balance amount has not been paid by the Company.

DIRECTORS :

In terms of Articles 148 & 149 of Articles of Association of the Company, Mr.V.R.Sinha & Mr. R.S. Jhavar retire by rotation but being eligible, offers themselves for re-election.

Mr.F.J.Guzdar has been re- appointed by Board of Directors as a Whole- time Director for a further period of one year w.e.f 1st April 2008 subject to approval of shareholders of the Company at the ensuing Annual General Meeting.

DEPOSITS :

The Company has not accepted any public deposit during the financial year and, as such, has no outstanding as on 31.03.2008

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

Since the Company has sold its Industrial undertakings 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. B.K.Khare & Co., Chartered Accountants, Mumbai, the existing Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

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.

CORPORATE GOVERNANCE :

A separate report on corporate Governance is enclosed as a part of Annual Report of the Company. A certificate of the practicing company Secretary regarding compliance of Corporate Governance as stipulated under Clause 49 of the listing agreement is annexed to the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors hereby confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- that the Directors have selected such accounting policies and applied them consistently and made judgments 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;

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(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.

AUDITOR'S OBSERVATIONS

The observations 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 : 27th June, 2008

V. R. Sinha
Chairman

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REPORT ON CORPORATE GOVERNANCE:

CORPORATE GOVERNANCE PHILOSOPHY :

The Management of The Standard Batteries Ltd have always believed that Corporate Governance is the process which will be useful for Directing and Managing the affairs of the Company with the ultimate objective of realising long term shareholder value whilst taking into account the interest of other stakeholders.

1. BOARD OF DIRECTORS

A. Composition.

The business of the Company is managed by the Wholtime Director subject to the superintendence and direction of the Board of Directors. The Composition of the Board of Directors of the Company is in conformity with the code of Corporate Governance under the Listing Agreement. Details of the Board of Directors of your Company as on 31.03.2008 are given below :

Sr. No.	Name of the Director	Executive/ Non-Executive/ Independent	No. of other Directorships held (excluding)**	Committee Membership # (excluding)**		Attendance	
				As Chairman/ Chairperson	As Member	Board Meeting	last AGM
1	Mr. V.R.Sinha	Chairman	1	—	1	4	YES
2	Mr. T.R.Swaminathan	Non-Executive	4	4	2	4	YES
3	Mr. R. S. Jhawar	Non-Executive	7	1	4	1	NO
4	Mr. F.J.Guzdar	Executive	1	—	—	4	YES
5	Mr. S.L. Mundra (LIC Nominee)	Non-Executive	—	—	—	3	YES

** Foreign companies and companies under section 25 of the Companies Act 1956 are not considered.

Only three committees i.e. Audit committee, Shareholders/ Investors grievances committee and Remuneration committee are considered for this purpose.

B: Four Board Meetings were held during the financial year 2007-2008. They were held on 22.06.2007, 28.09.2007, 08.11.2007 & 01.02.2008.

2. Audit Committee:

A. Composition:

The current Audit Committee consist of

1. Mr. T.R.Swaminathan - Chairman
2. Mr. F.J.Guzdar - Wholtime Director
3. Mr.S.L.Mundra (LIC Nominee)

B. Brief description of terms of reference.

The broad terms of reference of the Audit Committee are as under :

- To investigate any activity within its terms of reference.
- To seek information from any employee

- To obtain outside legal or other professional advices.
- To seek attendance of outsiders with relevant expertise, if considered necessary.
- Review of Company's financial reporting process.
- Review of half yearly and annual financial statement, before submission to the Board.
- Review with External Auditors, on areas of concern.
- Review the adequacy of internal control systems.
- To review whistle blower policy & Code of ethics and conducts.

Date of Audit Committee Meeting held and attended by the Members	T.R. Swaminathan	F. J. Guzdar	S.L. Mundra
22.06.2007	Present	Present	Absent
28.09.2007	Present	Present	Present
08.11.2007	Present	Present	Present
01.02.2008	Present	Present	Present

3. REMUNERATION COMMITTEE:

A. Composition.

The Remuneration Committee comprises of independent Directors, Mr. T.R.Swaminathan - Chairman and Mr. R.S.Jhawar , as member, with the following terms of reference:

- i) to determine and recommend to the Board of Directors the remuneration package of the Wholtime Director including periodical revisions therein,
- ii) to approve, in the event of loss or inadequate profits in any year, the minimum remuneration payable to the Wholtime Director within the limits and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956.
- iii) To recommend sitting fees / remuneration payable to the non-executive Directors.

One Meeting was held on 1st February 2008 and both the members of the Committee were present.

Stock option scheme : The Company does not have any Employee Stock Option Scheme.

B. Remuneration Policy.

The remuneration of the Wholtime g Director is determined by the Board within the statutory limits on the basis of recommendation of the Remuneration Committee, subject to shareholders' approval and Central Government approvals if required.