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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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STANDARD INDUSTRIES LTD.

102ND
ANNUAL REPORT
1996-97

STANDARD INDUSTRIES LTD.**ANNUAL GENERAL MEETING**

Date : 24th February, 1998.

Time : 3-00 P.M.

Venue : Birla Matushri Sabhagar,
19, Marine Lines,
Mumbai 400 020.**CONTENTS**

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Shareholders are requested kindly to bring their copy of the Annual Report to the Meeting as copies of Annual Report will not be distributed at the Meeting as a measure of economy.

SUBSIDIARY COMPANIES :

Standard Salt Works Ltd.	49-65
Stanrose Industries Ltd.	66-70

STANROSE MAFATLAL

STANDARD INDUSTRIES LTD.

BOARD OF DIRECTORS

SHRI RASESH N. MAFATLAL,

Chairman

SHRI RUSSI JAL TARAPOREVALA

SHRI HARISH MAHINDRA

DR. F. A. MEHTA

SHRI J. P. THACKER

SHRI V. C. VAIDYA

SHRI PRADEEP R. MAFATLAL

SHRI M. L. APTE

SHRI R. C. SHAH

DR. A. C. MUTHIAH

SHRI F. M. PARDIWALLA,

(Nominee of ICICI)

SHRI K. J. PARDIWALLA,

Managing Director

BANKERS

CENTRAL BANK OF INDIA

UNITED BANK OF INDIA

UNION BANK OF INDIA

BANK OF BARODA

THE BANK OF TOKYO – MITSUBISHI, LTD.

BANK OF INDIA

AUDITORS

MESSRS. C. C. CHOKSHI & COMPANY

Chartered Accountants

SOLICITORS

MESSRS. KANGA & COMPANY

MESSRS. DESAI & DIWANJI

REGISTERED OFFICE

MAFATLAL CENTRE,

NARIMAN POINT,

MUMBAI 400 021.

SHARE DEPARTMENT

5TH FLOOR,

MAFATLAL HOUSE,

BACKBAY RECLAMATION,

MUMBAI 400 020.

TEXTILE MILLS

1. NEW PRABHADEVI ROAD,
MUMBAI 400 025.
2. TOKERSI JIVRAJ ROAD,
SEWREE, MUMBAI 400 015.
3. NAWABWADI, BEGUMPURA,
SURAT.

CHEMICALS FACTORY

STANDARD ALKALI,

THANE-BELAPUR ROAD,

THANE.

GARMENT UNITS

1. KAMALAGRAM ROAD,
NADIAD 387 001
2. KANDLA FREE TRADE ZONE,
GANDHIDHAM-KUTCH.

STAN ROSE MAFATLAL

MANAGEMENT TEAM

SHRI K. J. PARDIWALLA

Managing Director

SHRI S. N. KUCHHAL

Executive Vice-President (Textiles & Garments Divisions)

SHRI B. D. DATAR

Vice-President & Company Secretary

SHRI D. M. NADKARNI

Vice-President (Works & Projects — Standard Alkali)

SHRI D. H. PAREKH

General Manager (Finance)

SHRI J. N. DESAI

General Manager (Marketing)

SHRI I. H. MEHTA

General Manager (Sewree Unit)

SHRI G. M. MODAK

General Manager (Costing — Textiles & Apparels Divisions)

SHRI A. T. KARNIK

General Manager (Materials — Textiles Division)

SHRI V. K. KAPUR

Works Manager (Thane Works)

SHRI GHULAM SABIR

Mill Manager (Prabhadevi Unit)

SHRI B. S. LANDE

Mill Manager (Sewree Unit)

SHRI G. H. PATEL

Mill Manager (Surat Unit)

SHRI A. R. MODI

Factory Manager (Nadiad Unit)

SHRI I. K. S. ROHATGI

Factory Manager (Kandla Unit)

STANDARD INDUSTRIES LTD.

NOTICE

Notice is hereby given that the ONE HUNDRED & SECOND ANNUAL GENERAL MEETING of the Members of STANDARD INDUSTRIES LIMITED will be held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai-400 020, on Tuesday, the 24th February, 1998, at 3.00 P.M., to transact the following business:

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account of the Company for the Accounting Year ended 30th September, 1997, and the Balance Sheet of the Company as on that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Rasesh N. Mafatlal who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri V.C. Vaidya who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. A.C. Muthiah who retires by rotation and is eligible for re-appointment.
6. To consider and, if thought fit, to pass, with or without modifications, the following:

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Sections 224 and 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. C.C. Chokshi & Co., Chartered Accountants, Mumbai, be and they are hereby appointed Auditors of the Company for the Accounting Year commencing on 1st October, 1997, to hold office as such from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs. 3,25,000/- apart from out-of-pocket expenses to be reimbursed to them."

NOTICE is hereby further given that the following business will be transacted as Special Business in the Meeting:

7. To consider and, if thought fit, to pass, with or without modifications, the following:

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification thereto or any re-enactment thereof for the time being in force) the Articles of Association of the Company be altered as under:

The following new Article 85(A) be inserted after the present Article 85:

DEMATERIALISATION OF SECURITIES

'For the purposes of this Article, unless the context otherwise requires:

Definitions

(A) Beneficial Owner

'Beneficial Owner' means a person whose name is recorded as such with a depository;

SEBI Board

'SEBI Board' means the Securities and Exchange Board of India;

Bye-laws

'Bye-laws' means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act

'Depositories Act' means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force;

Depository

'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

Record

'Record' includes the records maintained in the form of books or stored in a computer or

STANROSE MAFATLAL

in such other form as may be determined by regulations made by the SEBI Board;

Regulations

'Regulations' means the regulations made by the SEBI Board;

Security

'Security' means such security as may be specified by the SEBI Board.

Dematerialisation of securities

(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

Options to receive security certificates or hold securities with depository

(C) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.

Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

(D) All securities held by a depository shall be dematerialised and shall be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

(E) (1) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(2) Save as otherwise provided in (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.

(3) Every person holding equity share capital of the Company and whose name is entered as 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 be subjected to all the liabilities in respect of the securities held by a depository.

Depository to furnish information

(F) Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Option to opt out in respect of any security

(G) If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of intimation as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

Sections 83 and 108 of the Act not to apply

(H) Notwithstanding anything to the contrary contained in the Articles,

(1) Section 83 of the Act shall not apply to the shares held with a depository.

(2) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

STANDARD INDUSTRIES LTD.*Register and Index of beneficial owners*

- (1) The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be an Index of Members and Register and Index of Debentureholders as the case may be for the purposes of the Act."

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Items Nos. 6 and 7 are annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 28th January, 1998 to Wednesday, the 11th February, 1998 (both days inclusive) for the purpose of payment of dividend for the year ended 30th September, 1997. Those Members whose names stand on the Register of Members of the Company as on 11th February, 1998, will be eligible to the dividend.
- (d) The dividend as recommended by the Directors when declared at the Annual General Meeting will be paid at the designated Branches of Bank of India upto Rs. 10,000/- from Monday, the 30th March, 1998.
- The Dividend in excess of Rs. 10,000/- will be paid by the Company through cheque(s)/Demand Draft(s).
- (e) The Company has transferred the unclaimed dividends upto the Accounting

period ended 30th September, 1993, to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. The Members are requested to submit their claims in respect of the outstanding dividends, if any, for these years to the Registrar of Companies, Maharashtra, Mumbai.

The unclaimed dividends for the Accounting Year 1st October, 1993 to 30th September, 1994, will be deposited by the Company with the Central Government on 2nd April, 1998. Shareholders who have not encashed Dividend Warrants for the Accounting Year 1st October, 1993 to 30th September, 1994, are requested to forward the same to the Company's Share Department for payment on or before 15th March, 1998.

- (f) Shareholders are requested to send immediately the intimation of change of address and Dividend Mandates for registration with the Company.
- (g) The Memorandum and Articles of Association of the Company referred to in the Resolution at Item No. 7 together with the proposed alteration is open for inspection of the Members at the Registered Office of the Company between 10.00 A.M. and 12.00 Noon except on Saturdays and Holidays.

By Order of the Board

B. D. DATAR

Vice President & Co. Secretary

Registered Office:
Mafatlal Centre,
Nariman Point,
Mumbai-400 021.

Dated: 19th December, 1997.

ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956:

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Items Nos. 6 and 7 contained in the accompanying Notice dated 19th December, 1997.

Item No. 6

According to Section 224A of the Companies Act, 1956, the appointment or re-appointment at each Annual General Meeting of an auditor or auditors is required to be made by a Special Resolution, if not less than 25% of the subscribed capital of the Company is held, either singly or in combination, *inter alia*, by public financial institutions, nationalised banks and insurance companies carrying on general insurance business. In the case of the Company, the holdings of the aforesaid categories of Shareholders exceed 25% of the subscribed capital.

It is, therefore, deemed necessary to pass a Special Resolution for the appointment of Auditors and to fix their remuneration.

None of the Directors is concerned or interested in the said Resolution.

Item No. 7

With the enactment of the Depositories Act, 1996, and the introduction of the Depository

System, certain provisions of the Companies Act, 1956, pertaining to issue, holding, transfer and dealing in shares and other securities as also Certificates thereof have been amended with a view to facilitating the operation of the Depository System. In view of this, consequent changes are required to be incorporated in the Articles of Association of the Company. This is sought to be done by introduction of a new Article 85A in terms of the Resolution at Item No. 7 so that the Articles of Association of the Company are in line with the amended provisions of the Companies Act, 1956 read with the provisions of the Depositories Act, 1996. The Special Resolution at Item No. 7 is, therefore, proposed pursuant to Section 31 of the Companies Act, 1956. The Directors commend the Special Resolution for acceptance by the Members.

None of the Directors of the Company is concerned or interested in the Resolution.

By Order of the Board

B. D. DATAR

Vice President & Co. Secretary

Registered Office:
Mafatlal Centre,
Nariman Point,
Mumbai-400 021.

Dated: 19th December, 1997.

STANDARD INDUSTRIES LTD.**FINANCIAL STATISTICS**

(Rupees in lakhs)

	1988/89	1989/90	1990/91	1991/92	1992/93	Apr./Sept. 1993 (6 months)	1993/94	1994/95	1995/96	1996/97
COMPANY OWNED:										
1. Fixed Assets (Net)	9770	9015	10723	15368	17898	17388	18780	19292	19555	17407
2. Investments	210	210	168	168	98	110	167	72	71	72
3. Net Current Assets	5264	5999	6918	6541	8662	9596	9086	9236	8019	7463
4. Miscellaneous Expenditure	16	13	10	6	41	41	195	817	787	633
Total Assets (Net)	15260	15237	17819	22083	26699	27135	28228	29417	28432	25575
COMPANY OWED:										
1. Loan funds	6863	7325	9385	13416	16251	16792	14280	13175	13110	10150
2. Company's Net Worth:										
Equity Share Capital	1105	1105	1105	1548	1872	1873	3447	3933	3933	3933
Reserves and Surplus	7292	6807	7329	7119	8576	8470	10501	12309	11389	11492
Total Capital Employed	15260	15237	17819	22083	26699	27135	28228	29417	28432	25575
Debt/Equity Ratio#	0.64:1.00†	0.73:1.00†	0.82:1.00†	1.34:1.00†	1.43:1.00†	1.39:1.00†	0.84:1.00†	0.62:1.00†	0.50:1.00†	0.26:1.00†
Income	19536	24837	26668	30240	40288	21468	44926	46756	47886	46411
Raw Materials	4644	6436	6516	7429	8983	4730	10417	11160	10318	9039
Salaries and Wages	2782	3255	3671	4041	4720	2522	5352	5220	5330	5923
Operation and Other Expenses etc.	8138	10940	11067	12476	17831	9796	19509	20157	21874	21588
Interest	1071	1039	1114	1415	2861	1382	2738	2346	2550	2319
Excise duty	1693	2115	2050	2479	3461	1763	4885	6026	6841	5679
Profit before Depreciation and Taxes	1208	1052	2250	2400	2432	1275	2025	1847	973	1863
Depreciation	796	838	862	896	1751	971	1415	1436	1488	1555
Provision for diminution in value of investment	—	—	44	—	—	—	—	—	—	—
Profit before Taxes	412	214	1344	1504	681	304	610	411	(514)	308
Taxes	15	35	100	480	5§	1§	3§	3§	3§	3§
Profit after Taxes	397	179	1244	1024	676	303	607	408	(517)	305
Provision and Refund of Income-tax (Net)	26	—	(13)	—	29	4	—	—	—	—
Amount for Appropriation	423	638*	1655*	1495*	1707*	1204*	1637*	1532*	261*	866*
Dividends	221	221	221	309	309	187	562	578	—	393
Tax on Dividends	—	—	—	—	—	—	—	—	—	39
Balance retained in business	202	417	1434	1186	1398	1017	1075	954	261	434
Earnings per Equity Share	Rupees 36	1.62‡	11.65‡	6.62‡	4.37‡	3.23‡	2.57‡	1.06‡	—	0.77‡
Dividend paid per Equity Share	Rupees 20	2‡	2‡	2‡	2‡	1‡	2‡	1.5‡	—	1‡

On Long term borrowings.

* Includes amount transferred from Statutory Development Rebate Reserve/Investment Allowance (Utilised) Reserve Debenture Redemption Reserve and balance amount of profit brought forward from previous year.

† Without Revaluation Reserve.

‡ On Equity Shares of Rs. 10.

§ Wealth-tax.

STANROSE MAFATLAL**DETAILS OF SHAREHOLDINGS AS ON 30-9-1997**

<i>Equity Shares held</i>	<i>Number of Shareholders</i>	<i>Total number of Shares</i>
1 to 50	22,474	7,07,555
51 to 100	10,264	8,37,832
101 to 200	9,370	14,31,224
201 to 500	7,671	24,62,669
501 to 1000	2,034	14,80,585
1001 to 5000	1,139	21,45,689
5001 to 10000	61	4,26,467
10001 & above	85	2,98,36,920
Total	53,098	3,93,28,941

Number of Employees 4,998