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STANDARD INDUSTRIES LTD.

105th
ANNUAL REPORT
2000-2001

STANROSE MAFATLAL

STANDARD INDUSTRIES LTD.

ANNUAL GENERAL MEETING

Date : 14th September, 2001.

Time : 3-00 P.M.

Venue : Nehru Centre Auditorium,
Dr. Annie Besant Road,
Mumbai 400 018.

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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.	52-68
Stan Plaza Ltd.	69-74
Mafatlal Enterprises Ltd.	75-82

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STANDROSE MAFATLAL

STANDROSE MAFATLAL

BOARD OF DIRECTORS

SHRI RASESH N. MAFATLAL,
Chairman
SHRI RUSSI JAL TARAPOREVALA
SHRI J. P. THACKER
SHRI V. C. VAIDYA
SHRI PRADEEP R. MAFATLAL
SHRI M. L. APTE
SHRI F. M. PARDIWALLA,
(Nominee of ICICI)
SHRI K. J. PARDIWALLA,
Managing Director
SHRI S. K. DIWANJI
SHRI S.B. GHIA
SHRI P. K. JANI

BANKERS

CENTRAL BANK OF INDIA
UNITED BANK OF INDIA
UNION BANK OF INDIA
BANK OF BARODA
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.

CHEMICALS FACTORY

STANDARD ALKALI,
THANE-BELAPUR ROAD,
THANE.

GARMENT UNITS

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

STANDARD INDUSTRIES LTD.

MANAGEMENT TEAM

SHRI K. J. PARDIWALLA
Managing Director

SHRI D. M. NADKARNI
Vice-President (Projects & Works-Standard Alkali)

SHRI D. H. PAREKH
Vice-President (Finance)

SMT. TANAZ B. PANTHAKI
Company Secretary

SHRI I. H. MEHTA
General Manager (Textiles Division)

SHRI G. M. MODAK
General Manager (Central Costing)

SHRI V. K. KAPUR
General Manager (Works-Standard Alkali)

SHRI S. RAJENDRAN
Chief Engineer & General Manager (Power Plant)

SHRI V. M. KULKARNI
Factory Manager (Nadiad Unit)

STANDROSE MAFATLAL**NOTICE**

Notice is hereby given that the ONE HUNDRED & FIFTH ANNUAL GENERAL MEETING of the Members of STANDARD INDUSTRIES LIMITED will be held at Nehru Centre Auditorium, Dr. Annie Besant Road, Mumbai-400 018, on Friday, the 14th September, 2001, 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 31st March, 2001 and the Balance Sheet of the Company as on that date.
2. To appoint a Director in place of Shri Rasesh N. Mafatlal, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri Russi Jal Taraporevala who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri M.L. Apte who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

SPECIAL BUSINESS

6. To appoint a Director in place of Shri P.K. Jani, who was appointed by the Board of Directors as an Additional Director on 30th January, 2001, under Article 142 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting under the said Article and being eligible, offers himself for appointment. Notices in writing from Members proposing his candidature for the Office of the Director has been received under Section 257 of the Companies Act, 1956.
7. To consider and, if thought fit, to pass, with or without modifications, the following :

AS A SPECIAL RESOLUTION

"RESOLVED THAT in modification of the Resolution passed by the Members at the 90th Annual General Meeting of the Company held on 6th May, 1986, the Company hereby approves that pursuant to the provisions of Section 163 of the Companies Act, 1956, Registers of Members/ Bondholders, Indices of Members/ Bondholders and copies of the Annual Returns prepared under section 159 of the said Act, together with the copies of Certificates and documents, required to be annexed thereto, under Section 161 of the said Act and/or any other provisions applicable thereto, or any one or more of them, be kept at the Registered Office of the Company at Mafatlal Centre, Nariman Point, Mumbai - 400 021, and/or at Mafatlal House, Backbay Reclamation, Mumbai - 400 020 and/or at 59, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400 005 and/or at Stanrose House, New Prabhadevi Road, Mumbai - 400 025 and/or at Stanrose Apartments, Palkhy Gulli, Off Veer Savarkar Marg, Prabhadevi, Mumbai-400 025."

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 is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 4th September, 2001 to Friday, the 14th September, 2001 (both days inclusive) for the purpose of Annual General Meeting to be held on Friday, the 14th September, 2001.
- (d) The Company has transferred the unclaimed dividends upto the Accounting Year ended 30th September, 1994, to the General Revenue Account of the Central Government in terms of Section 205A of the Companies

STANDARD INDUSTRIES LTD.

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.

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, as amended, dividend(s) for the Accounting Year ended 1994-95 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend(s) so far for the Accounting Year ended 1994-95 or any subsequent Accounting years are requested to make their claim to the Company's Share Department. It may also be noted that once the unclaimed dividend is transferred to the above Fund, no claim shall lie in respect thereof.

- (e) Trading in Company's shares through stock exchanges has been made compulsory in dematerialised/electronic form effective 8th May, 2000.
- (f) Shareholders holding equity shares in physical form are requested to send immediately the intimation of change of address for registration with the Company's Share Department. Shareholders holding equity shares in dematerialised/electronic form should intimate their respective Depository Participants regarding change of address.
- (g) The Company's securities are listed on the following Stock Exchanges :

Sr No.	Name & Address of the Stock Exchange	Nature of Security
1.	The Stock Exchange Mumbai, P. J. Towers, Dalal Street, Mumbai-400 023.	Equity Shares
2.	The Stock Exchange Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad - 380 015.	— do —
3.	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	— do —

The Company has paid Annual Listing fees to the above Stock Exchanges upto 31st March, 2002.

- (h) Appointment/reappointment of Directors :

Details to be furnished in respect of the Directors being proposed for appointment/reappointment at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement relating to Corporate Governance are given hereunder :

1. Shri Rasesh N. Mafatlal graduated in Arts with Honours from St. Xavier's College, Bombay. He has wide and varied knowledge and experience in business spanning over five decades. His activities are not merely confined to business and industry. He is actively associated with various Public and Educational Institutions and Charitable Trusts. He is the Chairman of several Companies within the Stanrose Mafatlal Group like Standard Industries Limited, Shanudeep Pvt. Ltd. and Stanrose Mafatlal Investments & Finance Ltd. He is also the Chairman on the Board of Mafatlal Lubricants Ltd. and Virat Industries Ltd. In addition he is a Director of Industrial Investment Trust Ltd. and Hindustan Oil Exploration Co. Ltd. and is a Director of overseas Companies, viz.. Mafatlal AG, Zug and Stancot AG, Zug. Shri Mafatlal was the Chairman of Millowners' Association in the year 1975 and also Chairman of the Indian Cotton Mills' Federation in the year 1977. Being associated with various Public and Charitable Institutions, he is the Chairman of the Managing Committee of the Pransukhlal Mafatlal Hindu Swimming Bath and Boat Club Trust, Member of the Governing Council of Ahmedabad Education Society, Trustee of Parichay Trust, Trustee of Bharatiya Vidya Bhavan and Chairman of Navinchandra Mafatlal Sadguru Water and Development Foundation.

STANDROSE MAFATLAL

2. Shri Russi Jal Taraporevala holds a B.Com. degree from University of Bombay, degree of M.Sc. (Economics) from the London School of Economics of the University of London and M.B.A. from the University of California at Berkeley.

During the past many years since 1955, Shri Taraporevala has been a Director of thirty large Public and three Private Companies. In addition, Shri Taraporevala was a Director in the Sixties of the Central Bank of India Ltd. He was Chairman of the Advisory Board in India of CITIBANK, N.A. from 1975 to 1981. Shri Taraporevala continues to be a Director of many Public and Private Limited Companies, viz., Standard Industries Limited, Mafatlal Lubricants Ltd., Virat Industries Ltd., Gabriel India Ltd., Rallis India Ltd., Stanrose Mafatlal Investments and Finance Ltd., CAPS Rallies (Pvt.) Ltd., Vista Travels Private Ltd. and D.B. Taraporevala Sons & Co. Private Ltd. He is a Member of the Shareholders / Investors Grievance Committee and Chairman of the Audit Committee of the Company; Chairman of the Shareholders/ Investors Grievance Committee of Stanrose Mafatlal Investments and Finance Ltd.; Chairman of the Shareholders Grievance Committee of Rallis India Ltd., Chairman of the Remuneration Committee of Rallis India Ltd. and Member of the Audit Committee of Rallis India Ltd.

3. Shri M.L. Apte graduated in Arts from Elphinstone College, Bombay. He has wide and varied knowledge and

experience in business over the past many years. Apart from his business acumen he is also actively engaged in sports activities mainly in the field of cricket.

He is the Chairman of Apte Amalgamations Ltd. since 1970 and a Director of Standard Industries Limited, Thomas Cook (India) Ltd., Rhone-Poulenc (India) Ltd., Bombay Burmah Trading Corporation Ltd., Bajaj Hindustan Ltd., Grasim Industries Ltd., Kulkarni Power Tools Ltd., The Sangli Planters Pvt. Ltd. and Tata Asset Management Pvt. Ltd. He is also a member of the following Committees of the Board, viz., Recruitment & Remuneration and Share Transfer Committee of Thomas Cook (I) Ltd., Audit Committee of Grasim Industries Ltd. and Share Transfer Committee of Zodiac Clothing Co. Ltd.

4. Details in respect of Shri P.K. Jani have been furnished at the appropriate place in the Explanatory Statement annexed to the Notice. These details are not given here so as to avoid repetition.

By Order of the Board

TANAZ B. PANTHAKI

Company Secretary

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

Dated : 29th June, 2001.

STANDARD INDUSTRIES LTD.**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 29th June, 2001.

Item No.6

Shri P.K. Jani, who was appointed as an Additional Director on 30th January, 2001, holds office upto the ensuing Annual General Meeting of the Company to be held on 14th September, 2001, in accordance with Article 142 of the Articles of Association of the Company and being eligible, he offers himself for appointment as a Director. Notices have been received from Members of the Company intending to propose him for the office of the Director at the Annual General Meeting.

Shri P.K. Jani is a Graduate in Arts with Economics. He has wide knowledge and experience in various types of businesses for over 50 years. He started his career in the Insurance business and branched out into the business of Travel Agency. Since then, he has diversified into real estate business, financial services, electronics, etc. and has extensive experience in Banking and Insurance fields. He is the Chairman of CFC Bank Ltd. and the Heritage A.I.I. Insurance Co. Ltd. in Kenya and President of Columbia Concrete Products Ltd., Canada.

Shri P.K. Jani holds Directorships in many Companies in Kenya, Uganda, Tanzania and Canada. He does not hold any Directorship in any Indian Company except that of Standard Industries Limited.

Apart from Shri P. K. Jani, no other Director is interested in the said Resolution.

Item No.7

Pursuant to the Resolution passed by the Members at the 90th Annual General Meeting of the Company held on 6th May, 1986, under the provisions of Section 163 of the Companies Act, 1956, the Register of Members, Indices of Members, and copies of Annual Returns prepared under Section 159, together with the copies of Certificates and Documents required to be annexed thereto under Section 161, can be kept at Mafatlal Centre, Nariman Point, Mumbai-400 021 and/or at Mafatlal House, Backbay Reclamation, Mumbai-400 020 and/or at Stanrose House, New Prabhadevi Road, Mumbai-400 025.

It is now proposed to enable the aforesaid records also to be kept at 59, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400 005 and/or Stanrose Apartments, Palkhy Gulli, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025, with effect from 1st October, 2001. The approval of the Members is therefore sought by a Special Resolution in terms of the provisions of Section 163 of the Companies Act, 1956.

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

By Order of the Board

TANAZ B. PANTHAKI

Company Secretary

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

Dated: 29th June, 2001.

FINANCIAL STATISTICS

(Rupees in lakhs)

	1991/92	1992/93	Apr./Sept. 1993 (6 mths)	1993/94	1994/95	1995/96	1996/97	1-10-1997 to 31-3-1999 (18 mths.)	1999/ 2000	2000/ 2001
COMPANY OWNED:										
1. Fixed Assets (Net)	15368	17898	17388	18780	19292	19555	17406	13685	22953	20855
2. Investments	168	98	110	167	72	71	72	72	72	71
3. Net Current Assets	6541	8662	9596	9086	9236	8019	7031	8876	3612	659
4. Miscellaneous Expenditure	6	41	41	195	817	787	633	652	396	283
5. Profit and Loss A/c	—	—	—	—	—	—	—	—	—	3930
Total Assets (Net)	22083	26699	27135	28228	29417	28432	25142	23285	27033	25798
COMPANY OWED:										
1. Loan funds	13416	16251	16792	14280	13175	13110	10149	8267	12574	12675
2. Company's Net Worth: Equity Share Capital	1548	1872	1873	3447	3933	3933	3933	3933	3933	6433
Reserves and Surplus	7119	8576	8470	10501	12309	11389	11060	11085	10526	6690
Total Capital Employed	22083	26699	27135	28228	29417	28432	25142	23285	27033	25798
Debt/Equity Ratio#	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†	0.12:1.00†	0.43:1.00†	1.02:1.00†
Income	30240	40288	21483	44926	46756	47886	46411	60356	32817	24201
Raw Materials	7429	8983	4730	10417	11160	10318	9039	11641	6726	4047
Salaries and Wages	4041	4720	2522	5352	5220	5330	5923	8873	5142	6113
Operation and Other Expenses etc.	12476	17831	9796	19509	20157	21874	21588	27896	14748	11996
Interest	1415	2861	1382	2738	2346	2550	2319	2387	2096	2011
Excise duty	2479	3461	1763	4885	6026	6841	5679	6810	3239	2794
Profit before Depreciation and Taxes	2400	2432	1275	2025	1847	973	1863	2749	868	(2761)
Depreciation	896	1751	971	1415	1436	1488	1555	2255	1390	1853
Profit before extra ordinary item and taxes ...	1504	681	304	610	411	(514)	308	494	(522)	(4614)
Extra Ordinary Item	—	—	—	—	—	—	—	—	—	(3040)
Taxes	480	55	15	35	35	35	35	156	25	25
Profit after Taxes	1024	676	303	607	408	(517)	305	338	(524)	(7656)
Provision and Refund of Income-tax (Net)	—	29	4	—	—	—	—	4	—	(61)
Amount for										
Appropriation	1495*	1707*	1204*	1637*	1532*	261*	866*	776*	251*	—
Dividends	309	309	187	562	578	—	393	—	—	—
Tax on Dividends	—	—	—	—	—	—	39	—	—	—
Balance retained in business	1186	1398	1017	1075	954	261	434	776	251	—
Earnings per Equity Share	6.62‡	4.37‡	3.23‡	2.57‡	1.06‡	—	0.77‡	0.86‡	—	—
Dividend paid per Equity Share	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.

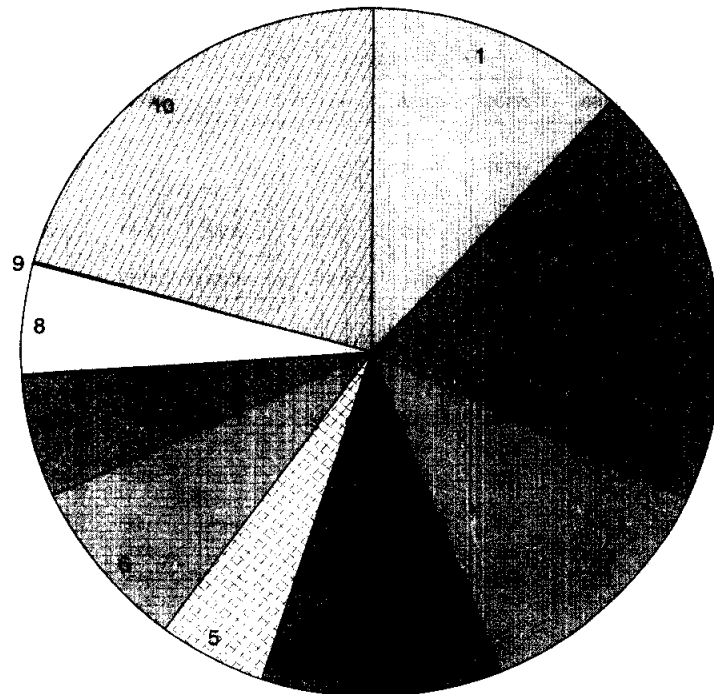
† Without Revaluation Reserve.











‡ On Equity Shares of Rs. 10.

§ Wealth-tax.

STANDARD INDUSTRIES LTD.**DISTRIBUTION OF INCOME
2000-2001**

(Rupees in lakhs)



		Amount	%
	1. Raw Materials and purchase of Finished Goods	4585.84	12
	2. Utilities	7219.12	20
	3. Other Expenses	4238.22	12
	4. Employees Cost	4151.17	11
	5. Gratuity, Leave Encashment, LTA to VRS Employees	1961.64	5
	6. Excise Duty	2794.33	8
	7. Interest	2011.02	6
	8. Depreciation	1853.20	5
	9. Provision for Tax	2.19	0
	10. Debit balance carried to Balance Sheet	7655.84	21
		<u>36472.57</u>	<u>100</u>