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STANDARD INDUSTRIES LTD.

Report Junction

106th ANNUAL REPORT
2001-2002



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STANDARD INDUSTRIES LTD.

ANNUAL GENERAL MEETING

Date : 25th February, 2003.

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.

STANROSE MAFATLAL

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BOARD OF DIRECTORS

SHRI RASESH N. MAFATLAL
Chairman
SHRI RUSSI JAL TARAPOREVALA
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 & SHARE DEPARTMENT

59, "THE ARCADE", 1ST FLOOR,
WORLD TRADE CENTRE, CUFFE PARADE,
COLABA, MUMBAI 400 005.

CORPORATE OFFICE

MAFATLAL CENTRE,
NARIMAN POINT,
MUMBAI 400 021.

CHEMICALS FACTORY

STANDARD ALKALI,
THANE-BELAPUR ROAD,
THANE.

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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 G. M. MODAK
General Manager (Costing & Internal Audit)

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

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

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STANDARD INDUSTRIES LTD

NOTICE

Notice is hereby given that the ONE HUNDRED & SIXTH 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 Tuesday, the 25th February, 2003, 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 Period ended 30th September, 2002 and the Balance Sheet of the Company as on that date.
2. To appoint a Director in place of Shri S.K. Diwanji, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri S.B. Ghia, 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 Auditors to hold the 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 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, the Articles of Association of the Company be and are hereby altered as follows :

- (i) In Articles 7, 16 and 20 :

For the words "Share Premium Account" the words "Securities Premium Account" shall be substituted;

- (ii) In Article 20, after sub-clause (d), the following new sub-clause (e) be inserted:

"for any other purpose, in accordance with the provisions of law, as may be in force from time to time."

- (iii) The existing Article 245(2)(a) be deleted and the existing Article 245(2)(b) be renumbered as 245(2).

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

AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force), Articles 16 and 20 of the Articles of Association of the Company and subject to the approval of the shareholders and subject to the confirmation of the High Court of Judicature at Mumbai, the issued, subscribed and paid-up equity share capital of the Company be reduced from Rs. 64,32,89,410 (Rupees sixty four crores thirty two lakhs eighty nine thousand four hundred ten) divided into 6,43,28,941 (Six crores forty three lakhs twenty eight thousand nine hundred forty one) equity shares of Rs. 10 each fully paid to Rs. 32,16,44,705 (Rupees thirty two crore sixteen lakhs forty four thousand seven hundred five) divided into 6,43,28,941 (Six crore forty three lakhs twenty eight thousand nine hundred forty one) Equity Shares of Rs. 5 each fully paid up by cancelling the equity share capital to the extent of Rs. 5 (Rupees five) per Equity Share aggregating Rs. 32,16,44,705 (Rupees thirty two crores sixteen lakhs forty four thousand seven hundred five) by adjusting such sum against the balance outstanding in the Deferred Revenue Expenditure Account as at 30th September, 2002 and any accretions to the said Account during the period 1st October, 2002 to 30th September, 2003 or such other date as may be approved by the Hon'ble High Court of Judicature at Mumbai."

"RESOLVED FURTHER THAT subject to and simultaneous upon the receipt of the

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necessary approvals to the aforesaid reduction in the issued, subscribed and paid up share capital of the Company, and pursuant to Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company of Rs. 75,00,00,000 (Rupees seventy-five crores) divided into 7,50,00,000 (seven crores fifty lakhs) Shares of Rs. 10 each be and is hereby reclassified to Rs. 75,00,00,000 (Rupees seventy five crores) divided into 15,00,00,000 (fifteen crores) Shares of Rs. 5 each."

"RESOLVED FURTHER THAT paragraph V of the Company's Memorandum of Association be and is hereby substituted by the following new paragraph V :

V. The Authorised Capital of the Company is Rs. 75,00,00,000 (Rupees seventy-five crores) divided into 15,00,00,000 (fifteen crores) Shares of Rs. 5 (Five) each with rights, privileges and conditions attaching thereto with power to vary, modify or abrogate such rights, privileges and conditions as may be provided by the Articles of Association of the Company for the time being. The Company has power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers conferred under this Resolution) be and is hereby authorised to do all such acts, deeds,

matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to the aforesaid reduction including passing of such accounting entries and/or making such other adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Mumbai to implement the aforesaid Resolution."

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

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 78, 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force), Articles 16 and 20 of the Articles of Association of the Company and subject to the approval of the Shareholders and subject to the confirmation of the High Court of Judicature at Mumbai, an amount not exceeding Rs. 3,620 lakhs out of the balance standing to the credit of the Securities Premium Account of the Company as at 30th September, 2002 be utilised for adjusting the balance outstanding in the Deferred Revenue Expenditure Account as at 30th September, 2002 and any accretions to the said Account during the period 1st October, 2002 to 30th September, 2003 or such other date as may be approved by the Hon'ble High Court of Judicature at Mumbai".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers conferred under this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual

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or proper and to settle any question or difficulty that may arise with regard to the aforesaid utilisation/adjustment of Securities Premium Account including passing of such accounting entries/or making such other adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Mumbai to implement the aforesaid Resolution."

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

AS A SPECIAL RESOLUTION

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or reenactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchange at Ahmedabad."

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

AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof for the time being in force), and subject to approval of the Central Government, the Company in General Meeting, hereby approves the re-

appointment of Shri K.J. Pardiwalla as Managing Director of the Company for a period of 5 years from 2nd August, 2003, on the terms of re-appointment including remuneration, commission and perquisites as set out in the draft Letter of Appointment to be issued to him, placed before the Meeting and initialled by the Chairman for the purpose of identification, which Letter of Appointment is hereby specifically approved with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to alter and vary the said terms of re-appointment and remuneration in such manner as may be agreed to between the Board and Shri K.J. Pardiwalla, within the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this Resolution."

"RESOLVED FURTHER THAT where in any Financial Year during the currency of Shri K.J. Pardiwalla's tenure as the Managing Director, the Company has no profits or its profits are inadequate, he shall be paid remuneration by way of salary, perquisites and retirement benefits subject to the limits specified in para A of Section II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, in force from time to time as minimum remuneration."

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

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to such approvals, if any, as may be necessary, the Directors of the Company, who are neither Managing Director(s) nor Whole-time Director(s), together be paid remuneration by way of commission of an amount not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Section 198, 349 and 350 of the Act, for

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each financial year or a part thereof proportionately for a period of 5 years, with effect from the financial year commencing on 1st October, 2002, to be distributed among such Directors at the discretion of the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board), subject to such approval(s) as may be necessary. Such remuneration shall be divided either wholly or in part among the Directors or any one or more of them in such proportion and manner as the Board may from time to time determine. The payment of such remuneration shall be subject to the overall maximum managerial remuneration laid down in Section 198 of the Act."

"RESOLVED FURTHER THAT the aforesaid remuneration shall be exclusive of any fees payable to a Director for each Meeting of the Board or of a Committee of the Board attended by him."

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 to 11 is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 18th February, 2003, to Tuesday, the 25th February, 2003 (both days inclusive) for the purpose of Annual General Meeting to be held on Tuesday, the 25th February, 2003.
- (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 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 Year 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, if any, 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, if any.
- (g) The Memorandum and Articles of Association of the Company referred to in the Resolution at Items Nos. 6, 7 and 8 together with the proposed alteration and the draft letter of appointment of Shri K.J. Pardiwalla, are 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.
- (h) 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, Jeejeebhoy Towers, Dalal Street, Mumbai-400 023.	Equity Shares
2.	The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, 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—

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The Company has paid Annual Listing fees to the above Stock Exchanges upto 31st March, 2003.

(i) Re-appointment of Directors :

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

1. Shri S.K. Diwanji graduated from Bombay University. He is also an Advocate, Solicitor & Notary. He is a Partner of M/s. Desai & Diwanji, Advocates & Solicitors. Presently he is a Director of many large Public Limited Companies, viz., Amzel Automative Ltd., ABC Bearings Corporation Ltd., Borax Morarji Ltd., German Remedies Ltd. (Alternate Director), Hawkins Cookers Ltd., HDFC Trustee Company Ltd., Herbertsons Limited, Mafatlal Lubricants Limited, Monotona Exports Ltd., Nowrosjee Wadia & Sons Ltd., Rohit Pulp & Paper Mills Ltd., Standard Industries Limited and Suraj Sanghi Finance Ltd. and of Private Companies, viz., Protos Engineering Co. Pvt. Ltd. and Ardeshir B. Cursetjee & Sons Pvt. Limited. In addition to that he is also a Member of the Local Advisory Board of The Bank of Tokyo-Mitsubishi, Mumbai. He is the Chairman of the Audit Committee of Hawkins Cookers Limited and Member of the Audit Committee of The Antifriction Bearings Corporation Ltd., HDFC Trustee Company Ltd., Mafatlal Lubricants Ltd. and Standard Industries Limited. He is also a Member of the Share Transfer Grievance Committee of Hawkins Cookers Limited, Mafatlal Lubricants Ltd. and Standard Industries Limited.
2. Shri S.B. Ghia is an industrialist with interests in a variety of fields including Chemicals, fibre and polymers and software. Shri Ghia has a Bachelor of Science degree in Chemistry and M.B.A. from Bowling Green University, U.S.A. and is currently the Chairman and Managing Director of Indian Organic

Chemicals Ltd., Chairman of Sonata Software Ltd. and Futura Polymer Limited. He is also a Director of various Public Limited Companies, viz., Alkyl Amines Limited, A.V. Thomas Industrial Products Ltd., H.K. Finechem Ltd., G.P. Electronics Limited, Standard Industries Limited, Chantex Industries Ltd. and Chinai Chemicals Ltd. and of Private Companies viz., Bachi Investments & Finance Pvt. Ltd., Chika Pvt. Limited, Chika Overseas Pvt. Ltd., Kika Investments & Finance Pvt. Ltd. and Viraj Investments Pvt. Limited. He is also the Chairman of the Investors Grievances Committee, Remuneration Committee and Audit Committee of Sonata Software Ltd.; Member of the Investors Grievances Committee of Indian Organic Chemicals Ltd.; Member of Audit Committee of Alkyl Amines Ltd. and Member of Audit Committee and Remuneration Committee of AVT Natural Products Ltd.

3. Shri V.C. Vaidya holds a degree of LL.B. from Bombay University and is also a Solicitor from Bombay. He is widely experienced in Legal, Insurance and Investments field. Shri V.C. Vaidya was Chairman and Managing Director of The New India Assurance Co. Ltd.

He is a Director of various Public Limited Companies, viz., Standard Industries Limited, Antifriction Bearing Corp. Ltd., Chika Ltd., Goodlas Nerolac Paints Ltd., Grover Vinyards Ltd., Unimers India Ltd., The Industrial Investment Trust Ltd., The Industrial & Prudential Investment Co. Ltd., Tata Investment Corporation Ltd., Victoria Mills Ltd. and NRC Limited. He is the Chairman of the Audit Committee of Antifriction Bearing Corp. Ltd., Goodlas Nerolac Paints Ltd. and Unimers India Ltd.; Chairman of the Shareholders'/ Investors' Grievance Committee of NRC Limited and Standard Industries Limited; Member of the Share Transfer/Investors' Grievance Committee of Goodlas Nerolac Paints Ltd. and Unimers India Ltd. He is a Member of the Audit Committee of Standard Industries Limited and Tata Investment Corporation Ltd. He is a Member of the

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Remuneration Committee of Industrial Investment Trust Ltd. He is also a Trustee of various Social Organisations/Charitable Trusts/Sport Club, viz., GIC Mutual Fund, Madgaokar Trust, Mahalaxmi Temple Trust and Pransukhlal Mafatlal Bath & Boat Club Trust.

4. Shri K.J. Pardiwalla is a Chartered Accountant and has diverse experience in Financial Accounting, Taxation and Management. He joined the Company in 1965. In 1986 he was promoted as Vice-President of Standard Alkali, Chemicals Division of the Company. In August, 1993, he was appointed as the Whole-time Director designated as President (Chemicals). In March, 1996, he was elevated to the coveted position of Managing Director of the Company. Shri K.J. Pardiwalla is a Director on the

Board of many Companies, viz., Standard Industries Limited, Standard Salt Works Ltd., Mafatlal Lubricants Ltd., Stanrose Holdings Ltd., Vinadeep Investments Pvt. Ltd. and Stanplaza Ltd. (Chairman). He is also a Member of the Shareholders/Investors Grievance Committee of Standard Industries Limited.

By Order of the Board

TANAZ B. PANTHAKI
Company Secretary

Registered Office:
59, 'THE ARCADE', 1st Floor,
World Trade Centre,
Cuffe Parade, Colaba,
Mumbai - 400 005.

Dated: 23rd December, 2002.

