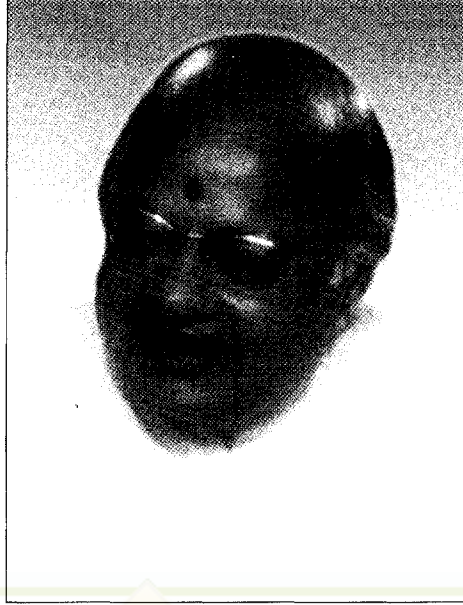


STANDARD INDUSTRIES LTD.

108th
ANNUAL REPORT
2003-2004

STANROSE MAFATILAL



Report Junction.com



Rasesh N. Mafatlal

(6th March, 1934 - 15th June, 2004)

Chairman,

STANDROSE MAFATLAL

Group of Companies

यद्यदाचरति श्रेष्ठस्तत्तदेवेतरो जनः ।

स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥

The actions of a great man are an inspiration for others.
Whatever he does, becomes a standrad for others to follow.

- Bhagavad Gita

STANDARD INDUSTRIES LTD.**ANNUAL GENERAL MEETING**

Date : 22nd February, 2005.

Time : 3.00 P.M.

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

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SUBSIDIARY COMPANIES :

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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

BOARD OF DIRECTORS

SHRI RASESH N. MAFATLAL

Chairman (upto 15-06-04)

SHRI PRADEEP R. MAFATLAL

Chairman (w.e.f. 29-06-04)

SHRI RUSSI JAL TARAPOREVALA

SHRI V. G. VAIDYA

SHRI M. L. APTE

SHRI F. M. PARDIWALLA

(Nominee of ICICI Bank Ltd.)

SHRI K. J. PARDIWALLA

Managing Director

SHRI S. K. DIWANJI

SHRI S. B. GHIA

SHRI P. K. JANI

REGISTERED OFFICE

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

BANKERS

CENTRAL BANK OF INDIA

UNITED BANK OF INDIA

UNION BANK OF INDIA

BANK OF BARODA

BANK OF INDIA

CHEMICALS FACTORY

STANDARD ALKALI,
THANE-BELAPUR ROAD,
THANE.

AUDITORS

MESSRS. C. C. CHOKSHI & COMPANY

Chartered Accountants

SOLICITORS

MESSRS. KANGA & COMPANY

MESSRS. DESAI & DIWANJI

**REGISTRAR & SHARE
TRANSFER AGENTS**

M/s. MCS Limited

Sri Venkatesh Bhavan,

Plot No. 27, Road No. 11,

MIDC Area, Andheri (East)

Mumbai - 400 093.

Tel. Nos. : (022) 2821 5235/2834 0660

Fax No. : (022) 2835 0456

E-mail : mcsnum@vsnl.com

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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)

NOTICE

Notice is hereby given that the ONE HUNDRED & EIGHTH 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 22nd February, 2005, 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, 2004 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 V. C. Vaidya, 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 a Director in place of Shri S.K. Diwanji, who retires by rotation and is eligible for re-appointment.
6. 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

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 163(1) of the Companies Act, 1956, the Register of Members, the Index of Members, the Register of Index of Debentureholders, copies of all Annual Returns prepared under Section 159 together with copies of all certificates and documents required to be annexed thereto in terms of Section 161, be kept in the Office of M/s. MCS Ltd., Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093, a SEBI registered Share Transfer Agent appointed in accordance with SEBI (Registrar to an Issue and Share Transfer Agent) Rules, 1993.

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 Item No. 7 is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 8th February, 2005, to Tuesday, the 22nd February, 2005, (both days inclusive) for the purpose of payment of dividend for the year ended 30th September, 2004. Those Members whose names stand on the Register of Members of the Company as on 22nd February, 2005, will be eligible to the dividend.
- (d) Members are requested to send their Bank Account details to M/s. MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai-400 093, to ensure safe and prompt receipt of Dividend Warrants, on or before 7th February, 2005. This is in view of the fraudulent encashment of such warrants.

Electronic Clearing Service (ECS) Facility:

With reference to the payment of dividend the Company introduced the facility of ECS.

Shareholders holding equity shares in physical form are requested to send Electronic Clearing Service (ECS) mandates if any, on or before 7th February, 2005, in the prescribed Form enclosed herewith for registration with the Company's Registrar & Share Transfer Agents, M/s. MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai-400 093. Shareholders holding equity shares in dematerialised/electronic form should intimate their respective Depository participants on or before 7th February, 2005, regarding Electronic Clearing Service (ECS) mandates, if any, in the prescribed Form enclosed herewith.

- (e) The dividend as recommended by the Directors when declared at the Annual General Meeting will be paid at the designated Branches of HDFC Bank upto Rs. 10,000/- from Friday, the 4th March, 2005.

The Dividend in excess of Rs. 10,000/- will be paid by the Company through cheque(s)/ Demand Draft(s).

- (f) 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.

Dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of a Company is required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of Section 205C of the Act. The Company has already transferred the unclaimed dividend for the year ended 30th September, 1995, to the IEPF. It may be noted that the Company had not declared any Dividend for the year ended 30th September, 1996. The unclaimed dividend for the financial year ended 30th September, 1997, is to be transferred to the Investor Education and Protection Fund on the date given in the table below:

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
October, 1996 to September, 1997	24.02.1998	13.04.2005

Members who have so far not encashed the Dividend Warrants for the Financial Year ended September, 1997, are advised to submit their claims to the Company's Registered Office at 59, 'THE ARCADE', 1st Floor, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400 005.

- (g) The introduction of Section 109A by the Companies (Amendment) Act, 1999, provides for **Nomination** by the shareholders of the Company in the prescribed Form No. 2B. The shareholders are requested to avail of this facility. The duly filled in and signed Form No. 2B should be sent to M/s. MCS Limited, the Registrar and Share Transfer Agents of the Company at Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093.

- (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.	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, 2005.

- (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. Mr. 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 and one Private Limited Company viz., Standard Industries Limited, ABC Bearings Limited, Grover Vinyards Ltd., NRC Limited, The Industrial Investment Trust Ltd., The Industrial & Prudential Investment Co. Ltd., Tata Investment Corporation Ltd., Victoria Mills Ltd. and Chika Private Limited. He is the Chairman of the Audit Committee of ABC Bearings Limited; Chairman of the Shareholders'/Investors' Grievance Committee of NRC Limited and Standard Industries Limited; Member of the Audit Committee of Standard Industries Limited, Tata Investment Corporation Ltd. and Industrial Investment Trust Ltd. He is a Member of the Remuneration Committee of ABC Bearings Limited and NRC Limited. He is also a Trustee of GIC Mutual Fund and various Social Organisations/Charitable Trusts/Sports

Club, viz., Madgaokar Trust, Mahalaxmi Temple Trust and Pransukhlal Mafatlal Bath & Boat Club Trust.

2. 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, Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., The Bombay Burmah Trading Corporation Ltd., New Phaltan Sugar Works Ltd., The Raja Bahadur Poona Mills Ltd., Grasim Industries Ltd., Zodiac Clothing Co. Ltd., Tata TD Waterhouse Asset Management Pvt. Ltd., Dr. Writer's Food Products Pvt. Ltd. and Lintas India Pvt. Ltd. He is also a member of the following Committees of the Board, viz., Audit Committee of Grasim Industries Ltd. and Zodiac Clothing Co. Ltd.; Share Transfer Committee of Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Ltd.; and Remuneration Committee of Bajaj Hindustan Ltd. and Standard Industries Limited.

3. 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., ABC Bearings Limited, Amzel Automotive Ltd., Borax Morarji Ltd., Hawkins Cookers Ltd., HDFC Trustee Company Ltd., Indabratr Limited, Monotona Exports Ltd., Rohit Pulp & Paper Mills Limited and Standard Industries Limited and of Private Companies, viz., ICB Contractors Pvt. Ltd., Protos Engineering Co. Pvt. Ltd. and Windmare Hospitality (India) Pvt. Ltd. In addition to that he is also a Member of the Local Advisory Board of The Bank of Tokyo-Mitsubishi, Mumbai. He is the Member of the Audit Committee of ABC Bearings Limited, Standard Industries Limited, Hawkins Cookers Limited and HDFC Trustee Company Ltd. He is also a Member of the Share Transfer Grievance Committee of Hawkins Cookers Limited and 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 : 10th December, 2004.

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 Item No. 7 contained in the accompanying Notice dated 10th December, 2004.

Item No. 7

In terms of the provisions of Section 163(1) of the Companies Act, 1956, the Company is required to keep the Register and Index of its Members and Register of Index of Debentureholders, copies of all Annual Returns prepared under Section 159 together with copies of all certificates and documents required to be annexed thereto in terms of Section 161 at its Registered Office. In view of the appointment of M/s. MCS Ltd., a SEBI registered Share Transfer Agent, as the Transfer

Agent of the Company in accordance with SEBI (Registrar to an Issue and Share Transfer Agent) Rules 1993, it is proposed to keep the above documents at their Office situated at Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093.

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

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 : 10th December, 2004.

FINANCIAL STATISTICS

(Rupees in lakhs)

	1993/94	1994/95	1995/96	1996/97	1-10-1997 to 31-3-1999 (18 mths.)	1999/ 2000	2000/ 2001	1-4-2001 to 30-9-2002 (18 mths.)	2002/ 2003	2003/ 2004
COMPANY OWNED:										
1. Fixed Assets (Net)	18780	19292	19555	17406	13685	22953	20855	17043	15656	12766
2. Investments	167	72	71	72	72	72	71	53	72	72
3. Net Current Assets	9086	9236	8019	7031	8876	3612	657	4879	(135)	(533)
4. Deferred Tax Assets/(Liability)	—	—	—	—	—	—	—	(1198)	—	—
5. Miscellaneous Expenditure	195	817	787	633	652	396	283	6387	—	—
6. Profit and Loss A/c ...	—	—	—	—	—	—	3931	—	—	—
Total Assets (Net)	28228	29417	28432	25142	23285	27033	25797	27164	15593	12305
COMPANY OWED:										
1. Loan funds	14280	13175	13110	10149	8267	12574	12674	13263	7726	4046
2. Company's Net Worth: Equity Share Capital	3447	3933	3933	3933	3933	3933	6433	6433	3216	3216
Reserves and Surplus	10501	12309	11389	11060	11085	10526	6690	7468	4651	5043
Total Capital Employed ...	28228	29417	28432	25142	23285	27033	25797	27164	15593	12305
Debt/Equity Ratio#	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†	0.76:1.00†	0.83:1.00†	0.33:1.00†
Income	44926	46756	47886	46411	60356	32817	24201	41206	16366	24071
Raw Materials	10417	11160	10318	9039	11641	6726	4047	3646	1728	2216
Salaries and Wages Operation and Other Expenses etc.	5352	5220	5330	5923	8873	5142	6113	3062	1683	2069
Interest	19509	20157	21874	21588	27896	14746	11996	19523	8801	12198
Excise duty	2738	2346	2550	2319	2387	2096	2011	3397	1319	829
Profit before Depreciation and Taxes	4885	6026	6841	5679	6810	3239	2794	3472	1994	2531
Depreciation	2025	1847	973	1863	2749	868	(2761)	8106	841	4228
Profit before extra ordinary item and taxes ...	1415	1436	1488	1555	2255	1390	1853	2031	1318	3180
Extra Ordinary Item	610	411	(514)	308	494	(522)	(4614)	6075	(477)	1048
Taxes	—	—	—	—	—	—	(3040)	—	—	—
Deferred Tax	(3)§	(3)§	(3)§	(3)§	(156)	(2)§	(2)§	(3)§	(26)	(107)
Profit after Taxes	—	—	—	—	—	—	—	(1198)	1198	—
Provision and Refund of Income-tax (Net)	607	408	(517)	305	338	(524)	(7656)	4874	695	941
Transferred from General Reserve	—	—	—	—	4	—	(61)	60	—	—
Balance brought forward from Previous Year	—	—	—	—	—	—	—	2235	—	—
Amount for Appropriation	—	—	—	—	—	—	—	(6466)	703	1398
Dividends	1637*	1532*	261*	866*	776*	251*	—	703*	1398*	2339*
Tax on Dividends	562	578	—	393	—	—	—	—	—	402
Balance retained in business	—	—	—	39	—	—	—	—	—	52
Earnings per Equity Share	1075	954	261	434	776	251	—	703	1398	1885
Dividend paid per Equity Share	2.57‡	1.06‡	—	0.77‡	0.86‡	—	—	7.67‡	1.08**	1.46**
Equity Share	2‡	1.5‡	—	1‡	—	—	—	—	—	0.625**

On Long term borrowings.

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

† Without Revaluation Reserve.

‡ On Equity Shares of Rs. 10.

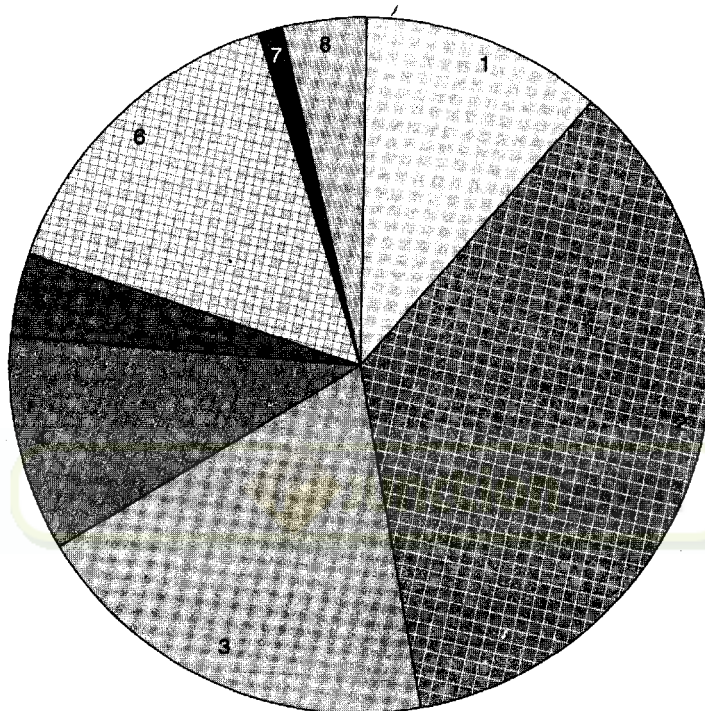
§ Wealth-tax.









** On Equity Shares of Rs. 5.

DISTRIBUTION OF INCOME

2003-2004

(Rupees in lakhs)



	Amount	%
 1. Raw Materials and purchase of Finished Goods	2486.11	11
 2. Utilities	7896.73	36
 3. Other Expenses	4031.34	19
 4. Employees Cost	2068.78	10
 5. Interest	829.16	4
 6. Depreciation	3180.33	15
 7. Provision for Tax	106.62	1
 8. Profit after Tax	941.28	4
	<u>21540.35</u>	<u>100</u>