

STANDARD INDUSTRIES LTD.

116th ANNUAL REPORT 2012-2013



STANDARD INDUSTRIES LTD.

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai 400 710.

NOTICE

Notice is hereby given that the **ONE HUNDRED & SIXTEENTH ANNUAL GENERAL MEETING** of the Members of STANDARD INDUSTRIES LIMITED will be held at The Park Navi Mumbai, Plot No.1, Sector 10, CBD Belapur, Navi Mumbai – 400 614, on Wednesday, the 14th August, 2013, at 3.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account of the Company for the Financial Year ended 31st March, 2013 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 M.L. Apte, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri F.M. Pardiwalla, who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI firm Registration no. 117366W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors."

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 the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, if any, including any statutory modifications or re-enactments thereof for the time being in force and subject to such approvals, if any, as may be necessary, the Non-Executive Directors of the Company, be paid remuneration by way of commission not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, for each financial year or for a part thereof proportionately for a period of 5 years commencing from 1st October, 2012, to be distributed among such Directors at the discretion of the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board)."

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 the director."

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. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 31st July, 2013, to Wednesday, the 14th August, 2013, (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2013. Those Members whose names appear in the Register of Members of the Company as on 30th July, 2013, will be eligible for dividend.
- (c) **National Electronic Clearing Service (NECS):**
As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the National Electronic Clearing Service (NECS) of the Reserve Bank of India (RBI), at designated locations, for payment of dividend to shareholders holding shares in dematerialized form. This service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In this system, the investor's bank account is directly credited with the dividend amount.

Members holding shares in electronic form may intimate any change in their bank account details to their respective Depository Participant. Shareholders holding shares in physical form may communicate the change in their bank account details to the Company's Registrar & Share Transfer Agent, in which case the communication may be made in the Mandate Form separately enclosed in this Annual Report.

Shareholders holding shares in physical form who have not yet opted for the NECS Mandate Facility, are urged to avail of the same as this not

STANDARD INDUSTRIES LTD.

only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant/Company's Registrar & Share Transfer Agent) and are communicated before 30th July, 2013, to facilitate receipt of dividend. Please note that if your new Core Bank Account number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

- (d) The Dividend as recommended by the Directors when declared at the Annual General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Wednesday, the 21st August, 2013, to those shareholders who have not opted for NECS Mandates. For those shareholders who have submitted their NECS Mandates, the dividend will be credited directly to their respective Bank Accounts.
- (e) The Company has already transferred on 4th April, 2013, the unclaimed dividends for the period October, 2004 to September, 2005, to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 31st March, 2006, onwards are to be transferred to the IEPF on the dates given in the table below :

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
October, 2005 To March, 2006	28.09.2006	01.11.2013
April, 2006 To September, 2007	25.03.2008	29.04.2015
October, 2007 To March, 2009	26.09.2008 (Interim Dividend)	26.10.2015
October, 2007 To March, 2009	25.08.2009 (Final Dividend)	25.09.2016
April, 2009 To March, 2010	09.08.2010	08.09.2017

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
April, 2010 To March, 2011	04.08.2011	04.09.2018
April, 2011 To March, 2012	14.08.2012	14.09.2019

Members who have so far not encashed the Dividend Warrants for the financial years ended March, 2006 onwards, are advised to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, or the Company's Registered Office at Plot No.4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710.

- (f) Members holding shares in physical form are advised to avail of the nomination facility by filling the prescribed Form No.2B (in duplicate) which is available with M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, the Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialised form are requested to contact their depository participant, for recording their nomination.
- (g) In case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-certified photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is now mandatory.
- (h) The Company's securities are listed on the following Stock Exchanges:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security
1.	Bombay Stock Exchange Ltd., 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, 2014.

- (i) As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Company's Green Initiative, we propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by you.

To support this green initiative of the Government, in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate columns in the Green Initiative Form attached hereto and register the same with Sharepro Services (I) Pvt. Ltd. (Unit: Standard Industries Limited), 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.

- (j) Appointment/Re-appointment of Directors:

Details to be furnished in respect of the Directors being proposed for appointment/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 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 Director of Standard Industries Limited, Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., The Bombay Burmah Trading Corporation Ltd., The Raja Bahadur International Ltd., Apte Amalgamations Ltd., Grasim Industries Ltd. and Zodiac Clothing Co. Ltd. He is also a member of the following Committees of the Board, viz., Audit Committee of Grasim Industries Ltd., Zodiac Clothing Co. Ltd., The

Bombay Burmah Trading Corporation Ltd. and Standard Industries Limited; Share Transfer Committee of Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Ltd.; Remuneration Committee of Bajaj Hindustan Ltd. and Standard Industries Limited and Investor Grievance Committee of The Bombay Burmah Trading Corporation Ltd.

Shri M.L. Apte holds 2,300 Equity Shares of the Company.

2. Shri F.M. Pardiwalla was born on 25th August, 1939. He is a Commerce Graduate from Sydenham College of Commerce & Economics as well as a Law Graduate from H.R. College, Mumbai. He worked with ICICI Limited for 38 years in a Senior Executive capacity and was heading Corporate Finance including Indian and Foreign currency treasury, foreign exchange, taxation and EDP Departments. He has vast experience in Accounts, Foreign Exchange and Law.

In recognition of his professional qualifications and experience in banking and finance, the governing Council of Indian Institute of Banking and Finance has conferred on Shri F.M. Pardiwalla, Associateship of the Institute.

During the period 1982 to 2005, he was on the Board of several Companies as Director and was also Chairman/Member of Audit, Shareholders' Grievance, Executive and Asset Sale Committees of the Boards of various Companies.

He is a Director of Standard Industries Limited and Stanrose Mafatlal Investments and Finance Limited. He is the Chairman of audit Committee of Standard Industries Limited and Stanrose Mafatlal Investments and Finance Limited and a Member of Shareholders/ Investors' Grievance Committee of Standard Industries Limited.

Shri F.M. Pardiwalla holds 4,650 Equity Shares of the Company.

By Order of the Board
TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Registered Office:
Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Millenium Business Park,
Navi Mumbai - 400 710.

Dated : 21st May, 2013

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.6 contained in the accompanying Notice dated 21st May, 2013.

Item No. 6

Section 309(4) of the Companies Act, 1956, permits the payment of remuneration to those Directors, subject to approval of the shareholders by special resolution, who are neither Managing Director(s) nor in the whole-time employment of the Company, by way of commission on the net profit of the Company, for a financial year computed in the manner referred to in Section 198 of the Act. In case the Company has a Managing Director or Whole-time Director or Executive Director, the commission amount is restricted to 1% of the net profits, if any, of the Company.

At present, the Directors other than the Executive Director of the Company are paid only sitting fees for each meeting of the Board or Committee of the Board attended by them and they are not receiving any other remuneration.

The Board of Directors is of the opinion that, in order to remunerate the Non-Executive Directors of the Company (other than the Managing Director and/or Whole-time Directors and Executive Directors) for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and to commensurate with the time devoted and the contribution made by them, the Board at their Meeting held on 8th February, 2013 has approved, subject to such statutory approvals as may be necessary, payment by way of commission, to be paid to

the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 read with Section 309 of the Companies Act, 1956, subject to the overall maximum managerial remuneration laid down in Section 198 of the said Act.

Such remuneration will be distributed among such Directors at the discretion of the Board either wholly or in part in such proportion and manner as the Board may from time to time determine.

Further, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, all fees/compensation, if any, paid to Non-Executive Directors of the Company, shall be fixed by the Board of Directors and shall require the prior approval of the Shareholders at a general meeting.

The Directors, other than Executive Director will be entitled to commission as specified in the Resolution and as such they may be deemed to be interested in the said Resolution to that extent.

The Board of Directors of your Company recommends the Resolution at Item No. 6 for your approval.

By Order of the Board
TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Registered Office:
Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Millenium Business Park,
Navi Mumbai - 400 710.

Dated : 21st May, 2013

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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.

STANDARD INDUSTRIES LTD.

BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL
Chairman

SHRI RUSSI JAL TARAPOREVALA
SHRI V. C. VAIDYA – *expired on 26.05.2013*
SHRI M. L. APTE
SHRI F. M. PARDIWALLA
SHRI K. J. PARDIWALLA
SMT. DIVYA P. MAFATLAL
SHRI D. H. PAREKH
Executive Director

BANKERS

HDFC BANK LIMITED
ICICI BANK LIMITED
IDBI BANK
THE HONGKONG AND SHANGHAI BANKING CORPN. LTD.
UCO BANK

AUDITORS

MESSRS. DELOITTE HASKINS & SELLS,
Chartered Accountants

ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

REGISTERED OFFICE

PLOT NO. 4, TTC INDUSTRIAL AREA,
THANE BELAPUR ROAD,
P.O. MILLENIUM BUSINESS PARK,
NAVI MUMBAI - 400 710

CORPORATE OFFICE

VIJYALAXMI MAFATLAL CENTRE,
57A, DR. G. DESHMUKH MARG,
MUMBAI - 400 026.

CITY OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Sharepro Services (India) Pvt. Ltd.,
13 AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.
Tel. Nos. : (022) 67720300/400
Fax No. : (022) 2859 1568
E-mail : sharepro@shareproservices.com

MANAGEMENT TEAM

SHRI D. H. PAREKH

Executive Director

SHRI D. M. NADKARNI

Vice-President (Projects)

SMT. TANAZ B. PANTHAKI

Vice President (Legal) & Company Secretary

SHRI V. K. KAPUR

General Manager

STANDARD INDUSTRIES LTD.

FINANCIAL STATISTICS

	2002/ 2003	2003/ 2004	2004/ 2005	1-10-2005 to 31-3-2006 (6 mths.)
COMPANY OWNED:				
1. Fixed Assets (Net)	15656	12766	12760	12800
2. Investments	72	72	72	425
3. Net Current Assets	(135)	(533)	260	(238)
4. Miscellaneous Expenditure	—	—	—	—
Total Assets (Net)	15593	12305	12572	12987
COMPANY OWED:				
1. Loan funds	7726	4046	1351	1149
2. Company's Net Worth:				
Equity Share Capital	3216	3216	3216	3216
Reserves and Surplus	4651	5043	8005	8622
Total Capital Employed	15593	12305	12572	12987
Debt/Equity Ratio#	0.83:1.00†	0.35:1.00†	0.12:1.00†	0.08:1.00†
Income	16366	24071	23763	8325
Raw Materials	1728	2216	1584	670
Salaries and Wages	1683	2069	1966	696
Operation and Other Expenses etc.	8801	12198	11879	4446
Interest	1319	829	394	64
Excise duty	1994	2531	3184	963
Profit before Depreciation and Taxes	841	4228	4756	1486
Depreciation	1318	3180	1047	527
Profit before extra ordinary item and taxes	(477)	1048	3709	959
Taxes	(26)	(107)	(321)	(110)
Deferred Tax	1198	—	—	—
Profit after Taxes	695	941	3388	849
Provision and Refund of Income-tax (Net)	—	—	—	—
Balance brought forward from Previous Year	703	1398	1861	4705
Amount for Appropriation	1398*	2339*	5249*	5554*
Dividends	—	402	402	201
Tax on Dividends	—	52	57	28
Balance retained in business	1398	1885	4790	5325
Earnings per Equity Share ₹	1.08**	1.46**	5.27**	1.32**
Dividend paid per Equity Share ₹	—	0.625**	0.625**	0.3125**

On Long term borrowings.

* Includes balance amount of profit brought forward from previous year.

† Without Revaluation Reserve.

** On equity Shares of ₹ 5/-.

(₹ in lakhs)

1-4-2006 to 30-9-2007 (18 mths.)	1-10-2007 to 31-3-2009 (18 mths.)	1-4-2009 to 31-3-2010	1-4-2010 to 31-3-2011	1-4-2011 to 31-3-2012	1-4-2012 to 31-3-2013
1984	1870	3546	1371	2887	2878
634	1443	6238	914	293	983
6542	12629	6463	12938	11472	9713
2296	—	—	—	—	—
11456	15942	16247	15223	14652	13574
—	—	—	—	—	—
3216	3216	3216	3216	3216	3216
8240	12726	13031	12007	11436	10358
11456	15942	16247	15223	14652	13574
0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†
12226	24683	3782	1834	2334	1762
—	—	—	—	—	—
759	334	242	169	239	195
9527	15680	2375	1828	2042	2083
168	8	—	—	—	—
23	—	—	—	—	—
1749	8661	1165	(163)	53	(516)
1489	132	106	133	89	95
260	8529	1059	(296)	(36)	(611)
(67)	(3158)	(193)	—	—	—
—	—	—	—	—	—
193	5371	866	(296)	(36)	(611)
—	—	7	19	26	97
5325	4943	9022	9287	8449	7879
5518*	10314*	9895*	9010*	8439*	7365*
483	643	482	482	482	482
82	109	80	78	78	82
4953	9562	9333	8450	7879	6801
0.30**	8.35**	1.36**	(0.43)**	(0.02)**	(0.80)**
0.75**	1.00**	0.75**	0.75**	0.75**	0.75**

STANDARD INDUSTRIES LTD.

DIRECTORS' REPORT

To

The Members,

Standard Industries Limited.

Your Directors hereby present the 116th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2013.

FINANCIAL RESULTS

	Current Year 01.04.2012 to 31.03.2013 (₹ in lakhs)	<i>Previous Year 01.04.2011 to 31.03.2012 (₹ in lakhs)</i>
Gross Operating Profit before depreciation and tax.....	(516.03)	53.08
Less: Depreciation.....	94.41	88.85
Profit before Taxes.....	(610.44)	(35.77)
Excess provision for taxes in respect of earlier years.....	96.76	25.71
Profit after Taxes.....	(513.68)	(10.06)
Balance brought forward from previous year.....	7,878.92	8,449.72
Amount available for Appropriation.....	7,365.24	8,439.66
APPROPRIATIONS:		
Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	82.00	78.27
Balance of Profit & Loss A/c. carried to Balance Sheet.....	6,800.77	7,878.92

Your Directors recommend the following dividend for the Financial Year 1st April, 2012 to 31st March, 2013, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 14th August, 2013, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 30th July, 2013.

	Current Year 01.04.2012 to 31.03.2013 ₹	<i>Previous Year 01.04.2011 to 31.03.2012 ₹</i>
₹0.75 per Equity Share of ₹5/- each on 6,43,28,941 Equity Shares [Previous year ₹0.75 per Equity Share of ₹5/- each on 6,43,28,941 Equity Shares].....	4,82,46,705.75	4,82,46,705.75
	4,82,46,705.75	4,82,46,705.75

REAL ESTATE DIVISION

The Company has leasehold land of an area of 92 acres and 10 gunthas (approx. 92.25 acres) at Plot No. 4 in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane, for a term of 100 years computed from 1.8.1965. Vide Agreement dated 24.4.2008 the Company had transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), a Project Company of CapitaLand Commercial Limited, Singapore, all its right, title and interest, in respect of an area of 30 acres located within the larger property of 92 acres and 10 gunthas of land, for the remaining tenure of the lease with MIDC.

The Company had entered into a Term Sheet dated 17th June, 2011 with Peninsula Mega City Development Pvt. Ltd. for development of leasehold land admeasuring 62.25 acres at Plot No. 4, situated at Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane. The Board of Directors of the Company had reviewed the progress of the said Understanding with Peninsula Mega City Development Pvt. Ltd. on account of delay in reaching the final Agreement for development. The Company and Peninsula Mega City Development Pvt. Ltd. decided to terminate the aforesaid Term Sheet with effect from 19th October, 2012. In pursuance thereto, the Company refunded without interest, a sum of ₹ 1100.00 lakhs received from Peninsula Mega City Development Pvt. Ltd. as advance at the time of execution of the said Term Sheet.

Efforts are on to develop/re-develop the balance portion of 62.25 acres of the Company's leasehold land for, inter alia, establishing a large scale Industry for Information Technology Software Unit/IT Park and in this connection proposals are on for negotiations with various Parties/Facilitators for the development/redevelopment/sale/sub-lease so as to monetize the balance 62.25 acres of the Company's leasehold land at Plot No. 4, situated at Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane.

Amidst a slow down in economic growth, the Real Estate Sector continues to face a challenging environment.

The Company owns a piece or parcel of land admeasuring 5413.92 sq. mtrs. or thereabouts being C.S. No. 211 under Parel-Sewree Division. Under the Development Plan, the said property is shown as reserved for recreation ground. Under the D.C. Regulation, in lieu of the reservation for recreation ground, the Company is entitled to either the market value of the land or Transferable Development Rights (TDR) benefits.

During the previous year, the Company entered into a Memorandum of Understanding (MOU) dated 26th March, 2012 with Stan Plaza Limited (SPL), a wholly owned subsidiary, whereby the Company agreed to transfer the 16,825 Sq. ft. of TDR relating to 27% of the plot area, as aforesaid, to SPL for a consideration of ₹ 403.80 lakhs as per valuation done by expert valuers. As per the terms of the MOU, the Company, within three months of the date of the MOU, is required to obtain the Development Rights Certificate (DRC), the title document for the TDR, from the Authorities and endorse the same in the name of SPL, failing which the MOU will stand cancelled. The Company is in the process of obtaining the DRC and has during the year, further extended the MOU upto 30th November, 2013. The Company is making all out efforts to obtain DRC and title document for TDR during the period of the MOU.

TRADING DIVISION

For the Financial Year under review, i.e. April, 2012 to March, 2013, the Company has achieved a Textile Trading turnover of ₹ 732.06 lakhs in comparison with ₹ 683 lakhs for the previous Financial Year.

The Textile Market was adversely affected due to the Excise Duty structure for the Garment Industry in the

financial year under review. However, in the last budget this duty has been waived and we expect a pick-up in this segment. The Company has started Ready-to-Stitch packaging in different product category such as Suiting/Shirting/Combo Pack etc. and there is a general optimism in the market. Our existing product range is well accepted in the market and there is a regular Turnover for the same.

HUMAN RESOURCES

Relations remain cordial with the employees during the year and there was all round co-operation.

PARTICULARS OF EMPLOYEES

The Company has no employees in respect of whom the information as per Section 217(2A) of the Companies Act, 1956, is required to be given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is not engaged in manufacturing activities during the year. Therefore, there is no information to submit in respect of conservation of energy and absorption of technology.

The Company has no foreign exchange earnings and outgoings during the year.

FIXED DEPOSITS

There are no outstanding deposits remaining unpaid as on 31st March, 2013. The Company, as of now, does not accept fresh deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

1. That in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the said year;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the Financial Year ended 31st March, 2013, on a 'going concern' basis.

SUBSIDIARIES

The Ministry of Corporate Affairs vide its general Circular No. 2/2011 dated 8th February, 2011, have granted

STANDARD INDUSTRIES LTD.

permission to holding companies not to attach accounts of its subsidiary companies, with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March, 2013, is included in the Annual Report.

DONATIONS

During the Financial Year, the Company has contributed a sum of ₹ 23.84 lakhs to various Charitable and Educational Institutions.

DIRECTORATE

Pursuant to Article 158 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri M. L. Apte and Shri F. M. Pardiwalla, are due to retire at the ensuing Annual General Meeting and are eligible for reappointment.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with Stock Exchanges a separate Report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

INSURANCE

All the properties/assets including buildings, furnitures/ fixtures, etc. and insurable interests of the Company are adequately insured.

AUDITORS

In terms of Section 224 of the Companies Act, 1956, the members are requested to appoint Auditors for the current year.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai
Dated : 21st May, 2013.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2013

<i>No. of Equity Shares held</i>	<i>No. of Shareholders</i>	<i>No. of Shares held</i>
1 to 50.....	15227	411358
51 to 100.....	6714	568322
101 to 200.....	5688	907171
201 to 500.....	5612	1993547
501 to 1000.....	2266	1843030
1001 to 5000.....	1917	4522041
5001 to 10000.....	307	2253262
10001 & above.....	280	51830210
Total.....	38011	64328941

Total No. of Employees 16

CORPORATE GOVERNANCE

INTRODUCTION

Company's Philosophy on Corporate Governance

The Company adheres to good corporate practices and is constantly striving to better them. The Company values business transparency, customer satisfaction, honesty, integrity, professionalism and accountability. The Company follows the principle of fair representation and full disclosures in all its dealings and communication thereby protecting the rights and interests of Shareholders and other stake-holders.

I. BOARD OF DIRECTORS

A. Composition and category of Directors is as follows:

Names of Directors	Category Executive/ Non-Executive/ Independent	No. of other Directorships and Committee Memberships	Other Directorships (including Private Companies)	Other Committee Memberships**
Shri Pradeep R. Mafatlal, Chairman	Promoter, Non-Executive	9*	—	1
Shri Russi Jal Taraporevala	Non-Executive & Independent	3	—	3 (1)
Shri V. C. Vaidya	Non-Executive & Independent	3	—	—
Shri M. L. Apte	Non-Executive & Independent	7	—	4
Shri F. M. Pardiwalla	Non-Executive & Independent	1	—	1 (1)
Shri K. J. Pardiwalla	Non-Executive	3	—	—
Smt. Divya P. Mafatlal	Promoter, Non-Executive	6	—	—
Shri. D. H. Parekh	Executive Director	4	—	—

* Including Foreign Companies

** Figure in brackets indicate Committee Chairmanships.

50% of the strength of the Board of Directors comprises Non-Executive Independent Directors.

B. Attendance of each Director at the Board Meetings and the last Annual General Meeting.

Names of Directors	No. of Board Meetings attended	Last Annual General Meeting attended
Shri Pradeep R. Mafatlal, Chairman	5	No
Shri Russi Jal Taraporevala	4	No
Shri V. C. Vaidya	5	No
Shri M. L. Apte	5	No
Shri F. M. Pardiwalla	5	Yes
Shri K. J. Pardiwalla	5	Yes
Smt. Divya P. Mafatlal	4	No
Shri D. H. Parekh, Executive Director	5	Yes

C. Number of Board Meetings held and dates on which such Meetings were held.

Five Board Meetings were held during the Financial Year from 1st April, 2012 to 31st March, 2013. The dates of such Board Meetings are 24.04.2012, 08.08.2012, 19.10.2012, 06.11.2012 and 08.02.2013.

II. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors of the Company comprises the following 4 Independent Non-Executive Directors:

Shri F. M. Pardiwalla	.. Chairman
Shri R. J. Taraporevala	.. Member
Shri V. C. Vaidya	.. Member
Shri M. L. Apte	.. Member

The Vice President (Legal) & Company Secretary acts as a Secretary to the Committee. Shri P. R. Mafatlal, Chairman, Shri D.H. Parekh, Executive Director, the Statutory Auditors and Internal Auditor attend the Meetings on invitation from the Chairman of the Committee.

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges and inter alia includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Discussions with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (d) Reviewing with the Management, the quarterly, half-yearly and annual financial results of the Company before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements;
- (e) Recommending to the Board, the appointment, re-appointment and, if required, removal of the statutory auditor and fixation of audit fees.
- (f) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (g) Any other terms of reference as may be included from time to time in clause 49 of the Listing Agreement.

During the Financial Year ended 31st March, 2013 the Audit Committee met four times. Attendance during the Financial Year is as under:

Members	Meetings attended
Shri F. M. Pardiwalla, Chairman	4
Shri R. J. Taraporevala	3
Shri V. C. Vaidya	4
Shri M. L. Apte	4

III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The erstwhile Shareholders/Investors Grievance Committee looked into matters relating to (a) Transfer of Shares, (b) Issue of duplicate/new, subdivided and consolidated share certificates and (c) Shareholders/Investors Grievances and its redressal.

The aforesaid committee was split into two committees w.e.f. 1st October, 2012, viz., Share Transfer Committee and Shareholders/Investors Grievance Committee. The Shareholders/Investors Grievance Committee now looks only into matters relating to shareholders/investors grievances and its redressal.

The aforesaid Committee has met 13 times in the year ended 31st March, 2013.

Members	Meetings attended
Shri V. C. Vaidya, Chairman	13
Shri R. J. Taraporevala	10
Shri P. R. Mafatlal	9
Shri F. M. Pardiwalla	13
Shri K. J. Pardiwalla	10

Name and designation : Smt. T. B. Panthaki,
of the Compliance Officer Vice President (Legal)
& Company Secretary.

Number of Shareholders' : Nil

Complaints received during the financial year 1st April, 2012 to 31st March, 2013.

Number of complaints not : Nil
resolved to the satisfaction of shareholders.

Number of pending share : Nil
Transfers/complaints

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprises three Non-Executive Directors, viz. Shri Russi Jal Taraporevala, Chairman, Shri V.C. Vaidya & Shri M.L. Apte.

The terms of reference of the Remuneration Committee are considering the matters relating to the Company's policies on remuneration packages to the Executive Directors, Sitting Fees payable to the Directors and commission to be paid to the Directors in case of adequacy of profits under the provisions of law.

The aforesaid Committee has met once in the Financial Year from 1st April, 2012 to 31st March, 2013.

Members	Meetings attended
Shri R. J. Taraporevala, Chairman	1
Shri V. C. Vaidya	1
Shri M. L. Apte	—

Remuneration Policy

Payment of remuneration to the Executive Director is as per the terms of his appointment. The terms of his appointment were approved by the Remuneration Committee, the Board and the shareholders. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation and Gratuity.

The remuneration paid to Shri D.H. Parekh, Executive Director, during the Financial Year, is as under:

	(₹ in lakhs)			
	Salary	Per- quisites	Contri- butions	Total
Shri D. H. Parekh	28.79	5.19	7.42*	41.40

* Includes the Company's contribution to Provident Fund, Superannuation Fund & Gratuity.

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V. INVESTMENT COMMITTEE

The Investment Committee is vested with powers to invest an amount not exceeding ₹ 125 Crores from the excess funds available with the Company in Initial Public Offers (IPOs), purchase of shares from Secondary Markets, Mutual Funds/Fixed Deposits with various Banks, etc. The said Committee has been formed under the provisions of Section 292(1) (d) of the Companies Act, 1956.

The Investment Committee comprises three Directors, viz. Shri Pradeep R. Mafatlal, Shri V. C. Vaidya and Shri K. J. Pardiwalla. The Committee met four times during the Financial Year i.e. 24.04.2012, 08.08.2012, 06.11.2012 and 08.02.2013.

VI. RISK MANAGEMENT

During the Financial Year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. Business risk evaluation and management is an ongoing process with the Company.

VII. CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Principles for the Directors as also for the Members of Senior Management. The said Code has been communicated to all the Directors and Members of the Senior Management and they have affirmed their compliance with the Code of Conduct/Ethics as approved and adopted by the Board of Directors. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Executive Director of the Company, forms part of this Report.

VIII. DIRECTORS' REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2013.

Names of Directors	Remuneration paid during April, 2012 to March, 2013			No. of shares held as on 31.03.2013
	Sitting Fees ₹	Salary & Perks ₹	Total ₹	
Shri Pradeep R. Mafatlal, Chairman	1,75,000	—	1,75,000	13,555
Shri Russi Jal Taraporevala	2,40,000	—	2,40,000	2,600
Shri V. C. Vaidya	2,95,000	—	2,95,000	34
Shri M. L. Apte	2,00,000	—	2,00,000	2,300
Shri F. M. Pardiwalla	2,75,000	—	2,75,000	4,650
Shri K. J. Pardiwalla	1,80,000	—	1,80,000	—
Smt. Divya P. Mafatlal	80,000	—	80,000	—
Shri D. H. Parekh, Executive Director	—	41,40,214*	41,40,214*	—
TOTAL	14,45,000	41,40,214	55,85,214	

* Includes the Company's contribution to Provident Fund, Superannuation Fund and Gratuity.

The Company does not pay any remuneration to its Non-Executive Directors, apart from Sitting Fees.

No fixed component and performance linked incentives have been paid or is payable to Directors for the year under review.

The tenure of appointment of the Executive Director is for a period of 3 years ending 1st August, 2014. Either party is entitled to terminate the appointment by giving 3 months' Notice from either side or by giving him 3 months' salary in lieu of Notice.

IX. SHAREHOLDERS' INFORMATION

(a) Location and time where the last 3 AGM/EGM were held:

Year	AGM	Location	Date and Time
2011-2012	AGM	The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai-400 614.	14-08-2012 at 3.00 p.m.
2010-2011	AGM	---do---	04-08-2011 at 3.00 p.m.
2009-2010	AGM	---do---	09-08-2010 at 3.00 p.m.

(b) Whether the Special Resolutions were put through postal ballot last year, details of voting pattern:

No Special Resolution was put through postal ballot during the year under review. As of date, the Company does not have any proposal for postal ballot.

X. DISCLOSURES

(a) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

Transactions with the related parties are disclosed in Note No. 25(f) & 25(o) to the 'Notes on Accounts' annexed to the Financial Statements for the year under review.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

None

- (c) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to clause 49 of the Listing Agreement with Stock Exchanges.

The Company has set up a Remuneration Committee. Please refer to Para IV above on Remuneration Committee for details.

XI. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the Unaudited Quarterly Results and Audited Annual Results in the proforma prescribed by the Stock Exchanges and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The same are published within 48 hours in Free Press Journal (Mumbai edition) and Nav Shakti (Mumbai edition).

The Company's website is www.standardindustries.co

The Management Discussion and Analysis Report forms part of the Annual Report.

XII. GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date & Time : 14th August, 2013
at 3.00 p.m.

Venue : The Park Navi Mumbai,
Plot No.1, Sector 10,
CBD Belapur,
Navi Mumbai - 400 614.

2. Financial Calendar (tentative)

Financial Reporting : Mid August, 2013.
for the Quarter ended
30th June, 2013.

Financial Reporting : Mid November, 2013.
for the Quarter ended
30th September, 2013.

Financial Reporting : Mid February, 2014.
for the Quarter ended
31st December, 2013.

Financial Reporting : End May, 2014.
for the Quarter ended
31st March, 2014.

Annual General Meeting for the year
ending 31st March,
2014.

- 3. Book Closure Date** : 31st July, 2013 to
14th August, 2013.
(both days inclusive).

- 4. Dividend Payment Date** : On and from Wednesday,
the 21st August, 2013.

- 5. Listing of Equity Shares on the Stock Exchanges** : 1. Bombay Stock Exchange Limited,
P. J. Towers,
Dalal Street, Fort,
Mumbai-400 023.
2. National Stock Exchange of India Ltd.
Exchange Plaza,
5th Floor, Plot No. C/1,
G Block, Bandra-Kurla
Complex, Bandra (E),
Mumbai-400 051.

The Company has paid Listing Fees to the above Stock Exchanges upto 31st March, 2014.

6. Stock Code

(a) Stock Exchange	Stock Code
1. Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Fort, Mumbai – 400 023.	530017
2. National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	SIL
(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares.	INE 173A01025

- 7. Stock Market Data** : Please see Annexure “1”
- 8. Stock performance** : Please see Annexure “2”
- 9. Registrar & Share Transfer Agents (R & STA)** : Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita
Warehousing Complex,
2nd floor, Sakinaka
Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel. No. 67720300/400
E-mail: sharepro@shareproservices.com
Fax No. 28591568.
All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & STA at the above address.

10. **Share Transfer System** : Shares sent for transfer in physical form are registered by the Registrar & Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. and are transferred within 15 days from the date of receipt, if documents are in order in all respects. Shares under objections are returned within 15 days of the receipt.

11. **Requirement of PAN for transfer of shares, etc. in physical form**

In case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-certified photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is now mandatory.

12. **Distribution of Shareholdings as on 31st March, 2013:**

No. of Equity Shares held	No. of Share-holders	No. of Shares held	% Share-holding
1 to 50	15,227	4,11,358	0.64
51 to 100	6,714	5,68,322	0.88
101 to 200	5,688	9,07,171	1.41
201 to 500	5,612	19,93,547	3.10
501 to 1000	2,266	18,43,030	2.87
1001 to 5000	1,917	45,22,041	7.03
5001 to 10000	307	22,53,262	3.50
10001 & above	280	5,18,30,210	80.57
TOTAL	38,011	6,43,28,941	100.00

13. **Categories of Shareholding as on 31st March, 2013:**

Categories	No. of Share-Holders	No. of Shares held	% Share-holding
Promoters/ Group Companies	5	1,29,40,042	20.12
Public/Pvt. Limited Companies	471	30,99,618	4.82
Insurance Companies	7	17,83,363	2.77
Public Financial Institutions/Banks	23	13,53,895	2.10
Mutual Funds/UTI	14	68,059	0.11
Foreign Institutional holding	2	1,00,119	0.16
NRIs/OCBs	181	2,54,96,127	39.63
Resident Individuals	37,308	1,94,87,718	30.29
TOTAL	38,011	6,43,28,941	100.00

14. **Dematerialisation of shares and liquidity:**

57.47% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2013. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 8th May, 2000, as per notification issued by the Securities and Exchange Board of India (SEBI).

15. **Plant Location:**

There was no manufacturing activity during the Financial Year under review.

16. **Address for Correspondence**

i. Investor correspondence of transfer/dematerialisation of shares and any other query relating to shares of the Company:

For Shares held in Physical Form

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai-400 072.
Tel. No. : 67720300/400
E-mail : sharepro@shareproservices.com
Fax No. : 28591568

For Shares held in Dematerialised Form

To the Depository Participant

- ii. Any query on Annual Report:**

Standard Industries Limited,
Secretarial Department,
Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Millenium Business Park,
Navi Mumai-400 710.
Tel. No. : 91 22 6516 2883, 6516 2890
Fax: No.: 91 22 2778 0175.

17. **Green Initiative**

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, have allowed companies to send official documents through electronic mode. In view of the above and as part of the Company's Green Initiative, we propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by you.

To support this green initiative of the Government, in full measure, members who

have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate columns in the Green Initiative

Form attached hereto and register the same with Sharepro Services (India) Pvt. Ltd. (Unit: Standard Industries Limited), 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai-400 072.

ANNEXURE – “1”

Month	Month's High Price		Month's Low Price		No. of Shares Traded		Value ₹ (in lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April 2012	21.50	21.15	17.30	17.40	255895	54281	48.76	10.47
May 2012	19.80	19.50	16.80	16.90	165628	81921	30.22	14.71
June 2012	19.35	19.05	17.50	17.35	120063	35423	21.96	6.42
July 2012	19.80	19.60	16.50	16.35	116390	31219	21.52	5.68
Aug. 2012	18.40	18.40	16.05	15.95	144294	29374	24.88	5.03
Sept. 2012	16.90	16.90	14.25	14.30	214158	87595	33.69	13.67
Oct. 2012	18.45	17.90	14.75	14.75	187481	52229	30.19	8.39
Nov. 2012	16.43	16.40	14.17	13.85	147500	85974	22.84	13.19
Dec. 2012	19.95	20.00	16.30	16.40	342910	222240	61.75	40.63
Jan. 2013	19.85	19.95	16.05	16.10	331602	88450	60.95	16.28
Feb. 2013	16.50	16.90	13.55	13.40	122285	54401	18.42	8.22
March 2013	14.95	14.70	12.17	12.00	458522	58804	60.49	8.10

ANNEXURE – “2”

SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES – BSE SENSEX AND NSE NIFTY

(a) SIL share price performance relative to BSE Sensex based on share price on 31st March, 2013.

Period	Share price	Sensex	Relative to Sensex
01.04.2012 to 31.03.2013	- 27.75%	+ 8.07%	- 35.82%

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2013.

Period	Share price	Nifty	Relative to Nifty
01.04.2012 to 31.03.2013	- 32.68%	+ 7.29%	- 39.97%

STANDARD INDUSTRIES LTD.

DECLARATION OF COMPLIANCE TO THE CODE OF CONDUCT BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

To

The Directors,
Standard Industries Limited

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

D. H. PAREKH
Executive Director

Mumbai

Dated : 21st May, 2013.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Standard Industries Limited

We have examined the compliance of conditions of Corporate Governance by Standard Industries Limited (the Company) for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

A. B. JANI
Partner
Membership No. 46488

Mumbai

Dated : 21st May, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

REAL ESTATE DIVISION

Fiscal year 2013 remains an extremely challenging year for the real estate business. The Company had entered into a Term Sheet dated 17th June, 2011, with Peninsula Mega City Development Private Limited for development of portion of land admeasuring approximately 62.25 acres at Plot No. 4, situated at Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane. It has been mutually decided to terminate the said Term Sheet and the same stands terminated, cancelled and revoked. Efforts are on to develop/redevelop the portion of 62.25 acres of the Company's lease-hold land for, inter-alia, establishing a large-scale industry for Information Technology, Software Unit/IT Park and in this connection proposals are on for negotiations with various parties/facilitators for the development/redevelopment/sale/sub-lease so as to monetize the balance 62.25 acres of the Company's lease-hold land at Thane.

INDUSTRY OVERVIEW

Amidst slow down in economic growth, the Indian Real Estate sector continued to face a challenging environment. With an overall decline in volumes, pricing was a key issue coupled with over supply, general liquidity problem in financial markets and lack of sustained economic activity. The year 2013 remains a challenging year for the global economy with the given economic stress in Europe, high and volatile oil and commodity prices and volatile capital flows, posing significant challenges on policy level. Along with global challenges, the Indian economy faced specific challenges in the form of depreciating Rupee and high and volatile inflation.

COMPANY OVERVIEW

The various segments which may be broadly classified for Company's business are Information Technology Parks, Commercial Offices, Hospitality Projects, Malls, Banking and Financial Services, etc. whether on its own or as a joint venture/joint development or otherwise in one or more tranches in a commercially viable manner.

Along with the global scenario, the Indian economy faced many challenges, such as inflation staggering at a significantly higher level, unabated sequential increase in policy rates, slow down in the reform process, overall drop in investment climate, significant drop in demand, etc.

Company's efforts are on to develop/redevelop 62.25 acres of the Company's lease-hold land at Plot No. 4, situated at Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane.

Strengths:

1. Significant rise in consumerism due to improvement in infrastructure facilities in Navi Mumbai.
2. Rapid urbanization.
3. Historical low cost of land
4. The Company has its presence in Navi Mumbai area since 5 decades which is fast developing. The company has huge potential to develop its realty space as desired by it.

Weakness:

1. Tight liquidity and tight credit availability for Indian Corporates/ individuals.
2. Global economic recession.
3. Fall in market demand.
4. MIDC is the Lessor of the lease-hold land held by the Company in Navi Mumbai. MIDC has stringent policies with regard to development of land, huge transfer charges and premium for the same.

OPPORTUNITIES & CHALLENGES

1. The Company has approx. 62.25 acres of land at a very low historical cost.
2. The Company has potential to develop the realty space as desired i.e. to take up development on its own or through joint venture/joint development or outright sale of land.

RISKS & CONCERNS

1. Your Company expects the current economic and business environment to stay challenging over the next few quarters.
2. General liquidity problems coupled with recessionary trends in the market may lead to stagnation of development of commercial properties.
3. Rise in VAT and Service Tax will lead to cost escalation which will slow down the demand.
4. There has been a revision in transfer charges of MIDC. As the Company has lease-hold land with MIDC, this may act to its detriment.

TRADING DIVISION

The textile market was adversely affected due to the Excise Duty structure for the Garment industry in the financial year under review. However, in the last budget, this duty has been waived and we expect a pick-up

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in this segment. The Company has started ready-to-stitch packaging in different product category such as suiting/shirting/combo pack, etc. and there is a general optimism in the market. Our existing product range is well accepted in the market and there is a regular turnover for the same.

1. SEGMENT-WISE PERFORMANCE

Segment-wise performance together with discussion on financial performance with reference to the operational performance has been dealt with in the Directors' Report which should be treated as forming part of the Management Discussion and Analysis.

2. GENERAL

INTERNAL AUDIT

The Company has proper and adequate system of internal control to ensure that all assets are

safeguarded and protected against loss from unauthorized use on disposition and transactions are authorized, recorded and reported correctly.

Internal control systems are supplemented by Internal Audit Reviews, coupled with guidelines and procedures updated from time to time by the Management.

Internal control systems are established to ensure that the financial and other records are reliable for preparing financial statements.

Internal Audit System is engaged in evaluation of internal control systems. Internal audit findings and recommendations are reviewed by the Management and Audit Committee of the Board of Directors.

3. HUMAN RESOURCES

As on 31st March, 2013, the employees' strength (on permanent roll) of the Company was 16.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF STANDARD INDUSTRIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of Standard Industries Limited (the Company), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 25(n) forming part of the Financial Statements, regarding recognition of revenue, in the previous year, of ₹ 403.80 lakhs on transfer of Transferable Development Rights (TDR) on a piece of land owned by the Company on the basis of a Memorandum of Understanding entered into by the Company with one of its subsidiary, pending receipt of Development Rights Certificate (DRC), the title document for the TDR, by the Company and endorsement thereof in the name of the said Subsidiary. Our audit report on the financial statements for the year ended March 31, 2012 was modified accordingly. The Company is still in the process of obtaining the DRC and has during the year, further extended the MOU up to November 30, 2013, as detailed in the said note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No: 117366W)

A. B. JANI
Partner
Membership No:46488

Mumbai
Dated: May 21, 2013

STANDARD INDUSTRIES LTD.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT RE: STANDARD INDUSTRIES LIMITED

(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

- (i) The nature of the Company's business/ activities during the year are such that clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;.
- (c) The Company has not disposed off a substantial part of fixed assets during the year.
- (iii) In respect of its inventories:
- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clause (iii) of paragraph 4 of the Order are not applicable to the Company for the year.
- (v) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to Section 301 that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) The Company has not accepted any deposits from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- (ix) We are informed that, during the year there were no production activities carried out by the Company. Hence, as per information and explanation given to us the maintenance of prescribed cost records, under section 209(1)(d) of the Companies Act, 1956 is not required. (Also refer Note 25 (p) of Financials Statements)
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (Rs in Lakhs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Additional Excise Duty liability	106.93	Various Year	Commissioner of Central excise
Central Excise Act, 1944	Additional Excise Duty liability	178.60	Various Year	CESTAT
Central Excise Act, 1944	Additional Excise Duty liability	138.87	Various Year	Assistant/Deputy Commissioner of Central excise
Central Excise Act, 1944	Additional Excise Duty liability	129.37	Various Year	High Court of Bombay
Employees' State Insurance Act, 1948	Contractors' Workers	19.22	Various Year	Regional Director of Employees' State Insurance Corporation

- (xi) The Company has no accumulated losses as at the end of the year. The Company has incurred cash losses in the current financial year covered by our audit and in the immediately preceding financial year.
- (xii) The Company did not have any borrowings from banks or financial institutions or in the form of debentures.
- (xiii) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to information and explanations given to us, the Company has not taken term loans during the year.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

A. B. Jani
Partner
Membership No. 46488

Mumbai,
Dated : May 21, 2013

STANDARD INDUSTRIES LTD.

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	3216.45	3216.45
(b) Reserves and surplus	4	10357.23	11435.38
		13573.68	14651.83
2. Non-Current Liabilities			
(a) Long-term provisions	5	24.41	3.97
3. Current Liabilities			
(a) Trade payables.....	6	160.25	107.19
(b) Other current liabilities.....	7	407.90	1635.60
(c) Short-term provisions.....	8	1238.95	1224.64
		1807.10	2967.43
Total.....		15405.19	17623.23
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	1786.55	1781.22
(ii) Capital work-in-progress.....	9	1090.89	1105.92
		2877.44	2887.14
(b) Non-current investments.....	10	183.93	183.88
(c) Long-term loans and advances.....	11	2299.64	2230.74
(d) Other non-current assets.....	12	233.52	180.70
		5594.53	5482.46
2. Current Assets			
(a) Current investments.....	13	799.43	108.82
(b) Inventories	14	94.84	101.42
(c) Property under development.....	15	2209.68	2209.68
(d) Trade receivables.....	16	524.29	496.50
(e) Cash and cash equivalents.....	17	2347.41	7562.57
(f) Short-term loans and advances.....	18	3808.42	1597.55
(g) Other current assets	19	26.59	64.23
		9810.66	12140.77
Total.....		15405.19	17623.23

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 21, 2013

TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Mumbai, Dated: May 21, 2013

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Note No.	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
(I) INCOME			
(a) Revenue from operations.....	20	841.17	1246.58
(b) Other income.....	21	920.68	1086.78
Total.....		<u>1761.85</u>	<u>2333.36</u>
(II) EXPENSES			
(a) Purchase of traded goods.....		673.09	657.72
(b) Changes in Inventory of Stock-in-trade.....	22	9.79	(8.90)
(c) Employee benefits expenses.....	23	195.12	239.10
(d) Depreciation	9	94.41	88.85
(e) Other expenses	24	1399.88	1392.36
Total.....		<u>2372.29</u>	<u>2369.13</u>
(III) (LOSS) BEFORE TAXES (I-II)		(610.44)	(35.77)
(IV) TAX EXPENSE			
(a) Current tax.....		—	—
(b) Excess Provision for taxes in respect of earlier years.....		96.76	25.71
(V) (LOSS) FOR THE YEAR (III-IV(A)+IV(B))		(513.68)	(10.06)
(VI) EARNINGS PER SHARE - BASIC AND DILUTED ₹		(0.80)	(0.02)
Nominal value per share ₹		5.00	5.00
[Refer Note 25(h)]			
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 21, 2013

TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Mumbai, Dated: May 21, 2013

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

STANDARD INDUSTRIES LTD.

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(i) (Loss) before Taxes	(610.44)	(35.77)
Adjustments for:		
Depreciation	94.41	88.85
Sundry debit balances written off.....	136.32	—
Loss on write off/sale of fixed assets (net)	4.66	6.95
Sale of transferable development right to Subsidiary Company	—	(403.80)
Provision for doubtful advances	18.84	—
Sundry credit balances written back.....	(0.06)	(6.12)
Excess provision for doubtful advances written back ..	(174.39)	(107.53)
Dividend on current/non-current Investments.....	(14.46)	(13.67)
Interest income on fixed deposits with banks	(400.54)	(763.22)
Interest income on inter corporate deposits.....	(246.13)	(64.29)
Gain on sale of current investments	—	(65.10)
(ii) Operating (Loss) before working capital changes	(581.35)	(1327.93)
(Increase)/Decrease in trade and other receivables	(67.81)	219.52
Decrease/(Increase) in inventories.....	6.58	(8.90)
(Decrease)/Increase in trade and other payables	(1042.56)	1225.19
	(1103.79)	1435.81
	(2295.58)	72.11
Direct taxes paid (net).....	(90.12)	(99.69)
NET CASH (USED IN) OPERATING ACTIVITIES (A)	(2385.70)	(27.58)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(163.13)	(1570.66)
Purchase of current/non-current investments	(1973.16)	(876.81)
Sale of current investments.....	1282.50	1563.35
Sale of fixed assets	1.57	3.93
Unsecured loan given to Subsidiary Companies.....	(1045.71)	(393.79)
Unsecured loan received back from Subsidiary Companies...	1126.27	216.46
Advances given to Subsidiary Companies.....	(3.01)	(0.51)
Advances received back from Subsidiary Companies	1.35	—
Dividend current/non-current investments.....	14.46	13.67
Interest income on fixed deposits with banks.....	438.18	776.89
Interest income on Inter corporate deposits	246.13	64.29
Inter corporate deposit given.....	(2200.00)	(830.00)
NET CASH (USED IN) INVESTING ACTIVITIES (B).....	(2274.55)	(1033.18)

CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid	(476.64)	(481.49)
Corporate dividend tax paid.....	(78.27)	(78.27)
NET CASH (USED IN) FINANCING ACTIVITIES (C).....	<u>(554.91)</u>	<u>(559.76)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(5215.16)	(1620.52)
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 2012.....	7562.57	9183.09
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2013....	<u>2347.41</u>	<u>7562.57</u>

Notes:

- Components of cash and cash equivalents include cash and bank balances (Refer Note 17 forming part of the financial statement).
- Cash and cash equivalents excludes deposits having bank lien against which bank guarantee has been issued by the bank to the excise authorities on behalf of the Company for a period exceeding 12 months aggregating to ₹ 105.23 lakhs and accordingly the same has been disclosed in 'Other non-current assets in the Note 12'.
- Reconciliation of cash and cash equivalents with the financial statement

Cash and cash equivalents as per financial statement (Refer Note 17).....	2347.41	7562.57
Less: Earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements'	40.33	36.66
Cash and Cash equivalents at the end of the year	<u>2307.08</u>	<u>7525.91</u>
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement".

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 21, 2013

TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Mumbai, Dated: May 21, 2013

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

Corporate Information

Standard Mills Company Limited was incorporated in the year 1892 under the Indian Companies Act, 1882. In line with the diversity of its business, it had changed its name from Standard Mills Company Limited to STANDARD INDUSTRIES LIMITED, ('the Company') in October 1989. The Company was engaged in the business of manufacturing textiles, chemicals and garments. With a change in focus, the Company diversified to Real Estate Business. Presently, the Company is in the business of Real Estate and Trading in Textiles and Chemicals.

Note 2:

Significant Accounting Policies:

(a) Basis of preparation of financial statements:

The financial statements have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

(b) Use of Estimates:

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognized in the year in which the results are known/ materialize.

(c) Inventories:

Inventories (Traded Goods) are valued at lower of cost and net realizable value.

(d) Property under Development:

Property under development represents leasehold land converted into stock-in-trade on the basis of lower of the cost and fair value as valued by external valuers on the date of conversion. [Also refer note 25(q)].

(e) Depreciation:

Depreciation is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(f) Revenue Recognition:

Revenue from sale of products is recognised net of returns and on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales exclude sales tax and value added tax. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the same is established. Revenue (income) is recognized when no significant uncertainty as to determination/ realization exists.

(g) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction and include amounts added on revaluation less accumulated depreciation and impairment loss.

Fixed Assets viz. land, buildings, plant and machinery as on December 31, 1984 had been revalued on the basis of their current replacement price as on December 31, 1985 and related factors. Accordingly, they were stated at revalued cost.

(h) Foreign Currency Transactions:

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using closing rates of exchange. Exchange differences arising thereon and on realization/payment of foreign exchange are accounted, in the relevant year, as income or expense.

(i) Investments:

Current Investments are carried at lower of cost and fair value. Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 2: (Contd.)

(j) Employee Benefits:

- (i) Contributions payable to the Company's Provident fund and Superannuation Fund, which is defined contribution scheme, are charged to revenue.
- (ii) The Company's liability for Gratuity funds is defined benefit scheme, which is funded through Trust set-up by the Company. The difference between the actuarial valuation for Gratuity and the balance in the Fund maintained by Trust as at the year-end is provided for in the accounts.
- (iii) Liability in respect of compensated absences is charged on the basis of actuarial valuation as at the year-end.

(k) Taxes on Income:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. [Also refer note 25(i)].

Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-tax Act, 1961, is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI).

(l) Impairment of Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets". An impairment loss is charged to the Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(m) Provisions and Contingencies:

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

(n) Doubtful Debts/Advances:

Provision is made in accounts for debts/advances which are considered doubtful of recovery.

Note 3:

Share Capital

Authorized:

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
15,00,00,000 Equity Shares of ₹ 5/- each	7500.00	7500.00
	7500.00	7500.00
Issued, Subscribed and Paid-up		
6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up.....	3216.45	3216.45
Total.....	3216.45	3216.45

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 3 (Contd.):

Notes:

(i) Details of Equity Shares held by each shareholder holding more than 5% Equity shares.

Name of the Equity Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Stanrose Mafatlal Investments & Finance Limited	1,24,04,487	19.28	1,24,04,487	19.28
Satin Limited	2,50,00,000	38.86	2,50,00,000	38.86

(ii) Reconciliation of the number of Equity Shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	No. of fully paid Equity Shares	₹ in Lakhs	No. of fully paid Equity Shares	₹ in Lakhs
Equity Shares outstanding at the beginning of the year	64328941	3216.45	64328941	3216.45
Fresh issue of Equity Shares	—	—	—	—
Equity Shares outstanding at the end of the year	64328941	3216.45	64328941	3216.45

(iii) All Equity Shares carry similar voting rights and have an equal right to dividends and in case of repayment of capital.

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 4:		
Reserves and Surplus		
(a) Capital Redemption Reserve:		
As per last Balance Sheet.....	12.00	12.00
(b) Securities Premium Account:		
As per last Balance Sheet.....	2526.90	2526.90
(c) Revaluation Reserve:		
As per last Balance Sheet.....	13.56	13.56
(d) General Reserve:		
As per last balance Sheet.....	1004.00	1004.00
(e) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	7878.92	8449.72
Less:(Loss) for the year	(513.68)	(10.06)
	7365.24	8439.66
Less: Proposed Dividend on Equity Shares	482.47	482.47
Corporate Tax on Dividend	82.00	78.27
	564.47	560.74
Closing Balance	6800.77	7878.92
Total.....	10357.23	11435.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 5:		
Long Term Provisions		
Provision for employee benefits		
– For Compensated Absences	1.84	3.97
– For Gratuity [Refer Note 25(r)]	22.57	—
Total....	24.41	3.97
Note 6:		
Trade Payables		
(a) Total Outstanding dues of Micro, Small and Medium Enterprises [Refer Note 25(c)].....	—	—
(b) Total Outstanding dues of other than Micro, Small and Medium Enterprises.....	160.25	107.19
Total....	160.25	107.19
Note 7:		
Other Current Liabilities		
(a) Unpaid Dividends (Due for transfer to Investor Education and Protection Fund of ₹ 4.46 (Previous year Nil))	36.17	30.34
(b) Other Payables		
(i) Statutory Liabilities	197.59	198.08
(ii) Payable on account of Fixed Assets.....	128.01	234.84
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received].....	17.02	19.33
(iv) Trade Advance Received [Refer Note 25(q)].....	—	1100.00
(v) Others [Refer Note 25(s)]	29.11	53.01
Total....	407.90	1635.60
Note 8:		
Short-term Provisions		
(a) Provision for employee benefits		
(i) For Gratuity/ex-gratia/VRS [Refer Note 25(r)]	18.03	13.79
(ii) For Compensated Absences	25.18	18.84
(b) Others:		
(i) For Income Tax	47.61	47.61
(ii) Proposed Dividend on equity shares.....	482.47	482.47
(iii) Corporate Dividend Tax	82.00	78.27
(iv) For Disputed Rent [Refer Note 25(b)].....	583.66	583.66
Total....	1238.95	1224.64

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 9:

FIXED ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2012	Additions	Deduction	As at March 31, 2013	Up to March 31, 2012	For the year	Deduction	Up to March 31, 2013	As at March 31, 2013
(I) Tangible Assets (Owned)									
(a) Freehold Land [Refer Note 25(n)]	24.42	—	—	24.42	—	—	—	—	24.42
(Previous Year).....	(24.42)	—	—	(24.42)	—	—	—	—	(24.42)
(b) Buildings	1396.49	70.77	—	1467.26	175.63	23.39	—	199.02	1268.24
(Previous Year).....	(734.42)	(663.26)	(1.19)	(1396.49)	(157.10)	(18.92)	(0.39)	(175.63)	(1220.86)
(c) Plant and Machinery	179.99	7.28	0.06	187.21	92.39	9.33	0.06	101.66	85.55
(Previous Year).....	(188.15)	(9.30)	(17.46)	(179.99)	(93.07)	(9.52)	(10.20)	(92.39)	(87.60)
(d) Furniture and Fixtures	165.71	21.37	0.30	186.78	55.33	11.37	0.14	66.56	120.22
(Previous Year).....	(251.48)	(37.82)	(123.59)	(165.71)	(169.64)	(9.28)	(123.59)	(55.33)	(110.38)
(e) Office Equipments	62.28	6.55	7.60	61.23	18.65	3.01	3.20	18.46	42.77
(Previous Year).....	(50.64)	(11.64)	—	(62.28)	(15.84)	(2.81)	—	(18.65)	(43.63)
(f) Vehicles	508.18	—	6.41	501.77	213.85	47.31	4.74	256.42	245.35
(Previous Year).....	(515.44)	—	(7.26)	(508.18)	(169.95)	(48.32)	(4.42)	(213.85)	(294.33)
Total	2337.07	105.97	14.37	2428.67	555.85	94.41	8.14	642.12	1786.55
(Previous Year).....	(1764.55)	(722.02)	(149.50)	(2337.07)	(605.60)	(88.85)	(138.60)	(555.85)	(1781.22)
(II) Capital Work-In-Progress:									
(a) Assets under Construction									1090.89
(Previous Year)									(1,105.92)
								Total	2877.44
								(Previous Year).....	(2,887.14)

Note:

- (1) Buildings include ₹ 1199.96 lakhs (Previous year ₹ 1147.83 lakhs) being the cost of ownership flats. The Company holds 175 Shares (Previous year 135 Shares) of the aggregate face value of ₹ 0.09 lakh (Previous year ₹ 0.07 lakh) in Co-operative Societies under the bye-laws of Societies. The shares in respect of certain flats are yet to be received.

	As at March 31, 2013	As at March 31, 2012
	₹ in Lakhs	₹ in Lakhs
Note 10:		
Non-Current Investments (At Cost)		
Other Investments (non-trade)		
Investments in Equity shares		
(I) Of Subsidiaries (Unquoted)		
(a) Standard Salt Works Limited [Refer Note 25(o)]		
223 Equity Shares of the face value of ₹ 100/- each fully paid-up.....	0.89	0.89
46777 Equity Shares of the face value of ₹ 100/- each ₹ 30/ per share paid-up.....	59.89	59.89
(b) Stan Plaza Limited		
50007 Equity Shares of the face value of ₹ 10/- each fully paid-up.....	5.00	5.00
(c) Mafatal Enterprises Limited		
50007 Equity Shares of the face value of ₹ 10/- each fully paid-up.....	5.00	5.00
	<u>70.78</u>	<u>70.78</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 10 (Contd.):		
(II) Of Other Companies (Quoted)		
(a) Nocil Limited		
13320 Equity Shares of face value of ₹ 10/- each..	0.17	0.17
(b) Stanrose Mafatlal Investment and Finance Limited		
18989 (Previous year 18925) Equity Shares of face value of ₹ 10/- each	19.14	19.09
(c) Finolex Industries Limited		
20000 Equity Shares of face value of ₹ 10/- each ...	11.44	11.44
(d) HDFC Bank Limited		
7500 Equity Shares of face value of ₹ 2/- each	35.55	35.55
(e) State Bank of India		
2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
	104.46	104.41
(III) Of Other Companies (Unquoted)		
(a) Stanrose Mafatlal Lubechem Limited		
200 Equity Shares of face value of ₹ 5/- each*.....	—	—
(b) Syngenta India Limited		
2000 Equity Shares of face value of ₹ 10/-each.....	8.69	8.69
	8.69	8.69
Total.....	183.93	183.88
Note:		
	Cost	Market Value
	₹ in Lakhs	₹ in Lakhs
Aggregate of quoted investments	104.46	130.65
Previous year	104.41	115.57
Aggregate of unquoted investments	79.47	
Previous year	79.47	
Total.....	183.93	
Previous year.....	183.88	

* The cost of these shares as on March 31, 2013 / March 31, 2012 is ₹ 1

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 11:		
Long-Term Loans and Advances		
(Unsecured, considered good)		
(a) Capital Advances.....	0.10	34.74
(b) Security Deposits.....	23.32	23.36
(c) Loan to subsidiary companies [Refer Note 25(f), (m) and (o)]	1494.13	1453.87
(d) Advance Tax (Net of Provisions).....	367.62	363.81
(e) Other Loan and Advances		
(i) Balance with Government authorities (Includes deposit paid under protest to Excise authorities etc.).....	314.16	234.81
(ii) Advance to creditors:		
— Considered good	100.31	120.15
— Considered doubtful	109.88	265.43
Less: Provision	109.88	265.43
Total.....	<u>2,299.64</u>	<u>2230.74</u>
Note 12:		
Other Non-Current Assets		
(Unsecured, considered good)		
(a) Interest accrued on unsecured loan to subsidiary [Refer Note 25(f) & (o)].....	128.29	75.47
(b) Fixed Deposits with banks-under lien	105.23	105.23
Total.....	<u>233.52</u>	<u>180.70</u>
Note 13:		
Current Investments		
(unquoted-at cost)		
Investments in Mutual Funds (Unquoted)		
(a) HDFC Cash Management Fund 4308405.664 units (Previous year 1014223.048) of ₹ 10/- each.....	432.20	101.74
(b) Templeton India Cash Management 579194.936 units (Previous year 70754.300) of ₹ 10/- each.....	57.94	7.08
(c) Birla Sun Life Cash Manager 308928.827 Units (Previous year Nil) of ₹ 100/- each.....	309.29	—
Total.....	<u>799.43</u>	<u>108.82</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 14:		
Inventories		
(at lower of cost and net realisable value)		
(a) Stock-in-trade (Traded Goods)	91.63	101.42
(b) Stock of Packing Material	3.21	—
Total.....	<u>94.84</u>	<u>101.42</u>

Note 15:		
Property under Development		
(at lower of cost and net realisable value)		
As per Last Balance Sheet [Refer Note 25 (q)]	2209.68	2,209.68
Total.....	<u>2,209.68</u>	<u>2,209.68</u>

Note 16:		
Trade Receivables		
(Unsecured)		
(a) Outstanding for a period exceeding six months from the date they were due for payment:		
— Considered good	444.94	54.96
— Considered doubtful	395.68	395.68
Less : Provision.....	<u>395.68</u>	395.68
	—	—
(b) Others (considered good).....	79.35	441.54
Total.....	<u>524.29</u>	<u>496.50</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013	As at March 31, 2012
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Note 17:		
Cash and Cash Equivalents		
(Refer note below)		
(a) Cash on hand.....	6.40	8.85
(b) Balance with Banks		
(i) In current accounts.....	179.66	112.87
(ii) In earmarked accounts (unpaid dividend etc.).....	40.33	36.66
(iii) In deposits accounts.....	2121.02	7404.19
	<u>2341.01</u>	<u>7553.72</u>
Total.....	<u>2347.41</u>	<u>7562.57</u>
Note:		
Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3	<u>2307.08</u>	<u>7525.91</u>

Note 18:		
Short-Term Loans and Advances		
(Unsecured, considered good)		
(a) Loan to subsidiary company [Refer Note 25(f),(m) and (o)]	50.16	170.98
(b) Advances to subsidiary companies [Refer Note 25(f) and (m)]	2.54	0.87
(c) Prepaid expenses.....	16.39	17.37
(d) Inter Corporate Deposit.....	3500.00	1300.00
(e) Other Short-term Advances		
(i) Advance to creditors.....	23.77	24.26
(ii) Others [Includes Income-tax refund receivable of ₹ 160.83 lakhs (Previous year ₹ 19.45 lakhs)].....	215.56	84.07
	<u>3808.42</u>	<u>1597.55</u>
Total.....	<u>3808.42</u>	<u>1597.55</u>

Note 19:		
Other current assets		
(Unsecured, considered good)		
Interest accrued but not due on bank deposits etc.	26.59	64.23
Total.....	<u>26.59</u>	<u>64.23</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
Note 20:		
Revenue from Operations		
(I) Sale of traded goods		
(a) Cloth	671.28	639.60
(b) Made-Ups	60.78	43.01
	<u>732.06</u>	<u>682.61</u>
(II) Other Operating Income		
(a) Sale of Transferable development Right [Refer Note 25(n)]	—	403.80
(b) Royalty received	13.69	13.89
(c) Refund of regulatory liability charges.....	95.42	95.42
(d) Sale of Scrap.....	—	50.86
	<u>109.11</u>	<u>563.97</u>
Total.....	<u><u>841.17</u></u>	<u><u>1246.58</u></u>
Note 21:		
Other Income		
(a) Interest Income		
On Fixed Deposits with Banks.....	400.54	763.22
On Inter-corporate deposit.....	246.13	64.29
On Loan to Subsidiary	58.69	58.69
On Interest on Income-tax/Sales-tax Refund	24.22	6.62
On Others (security deposits etc.)	1.04	1.40
	<u>730.62</u>	<u>894.22</u>
(b) Dividend on non-current (long-term) investments	2.89	2.26
(c) Dividend on current investments	11.57	11.41
(d) Gain on sale of current investments.....	—	65.10
(e) Other Non-operating Income		
(i) Sundry Credit Balances written back.....	0.06	6.12
(ii) Excess Provision for Doubtful Advances written back	174.39	107.53
(iii) Miscellaneous Income	1.15	0.14
	<u>175.60</u>	<u>113.79</u>
Total.....	<u><u>920.68</u></u>	<u><u>1086.78</u></u>
Note 22:		
Changes in Inventories of Stock in Trade		
(a) Inventories at the end of year	91.63	101.42
(b) Inventories at the beginning of year	101.42	92.52
Net Decrease/(Increase).....	<u><u>9.79</u></u>	<u><u>(8.90)</u></u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
Note 23:		
Employee benefit expenses		
(a) Salaries	125.51	162.02
(b) Contribution to Provident and other Funds.....	42.59	57.15
(c) Staff Welfare expense.....	27.02	19.93
Total.....	<u>195.12</u>	<u>239.10</u>
Note 24:		
Other expenses		
(a) Packing Material consumed.....	11.70	2.44
(b) Power and Fuel	38.99	57.39
(c) Rent.....	14.18	13.42
(d) Leave and Licence fees [Refer Note 25(f)]	107.74	105.99
(e) Charges for Corporate Office service and facilities [Refer Note 25(f)]	133.48	131.04
(f) Repairs:		
To Buildings	48.29	207.26
To Machinery	16.52	13.13
To Others	19.11	11.54
	<u>83.92</u>	<u>231.93</u>
(g) Insurance	6.43	6.41
(h) Rates and Taxes	38.34	51.88
(i) Stationery, Printing, Advertisement, Postage and Telegrams etc.	64.70	94.04
(j) Donations.....	23.84	41.91
(k) Legal and Professional fees [Refer Note 25(d)]	98.63	78.14
(l) Consulting fees.....	91.39	54.86
(m) Sundry Debit Balances written Off	136.32	-
(n) Loss on write-off/sale of Fixed Assets (net)	4.66	6.95
(o) Directors' Fees.....	15.85	14.76
(p) Travelling and Conveyance Expenses.....	170.79	224.82
(q) Security Charges	71.66	46.12
(r) Vehicle Expenses	56.24	52.04
(s) Temporary Manpower.....	45.43	28.46
(t) Provision for Doubtful Advances	18.84	—
(u) Miscellaneous Expenses.....	166.75	149.76
Total.....	<u>1399.88</u>	<u>1392.36</u>

Note: Miscellaneous expenses include fees, subscription and general charges, etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	<i>As at March 31, 2012 ₹ in Lakhs</i>
Note 25:		
Additional information to the financial statements and disclosure under Accounting Standards		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	—	1.67
(b) Contingent Liabilities in respect of:		
(i) Claims against the Company not acknowledged as debts		
1. ESIC claims in respect of contractor's workers	19.22	19.22
2. Claims in respect of labour matters.....	124.37	12.74
3. Disputed rent (The Company subsequent to the year end has deposited an amount of ₹ 1153.26 lakhs with the Hon'ble High Court pending final decision in the matter).....	1364.17	1364.17
The above claims are pending before various authorities/ court. The Company is confident that the cases will be successfully contested.		
(ii) Uncalled liability on shares partly paid held as investments in subsidiary company.....	32.74	32.74
(iii) Excise Duty, etc.		
Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Company is confident that the cases will be successfully contested		
	553.77	553.77
(iv) Guarantees given by Bank on behalf of Company to Government authority.....	105.23	105.23
(v) The Government of Maharashtra vide Notification No.ELD-2000/CR-1022(ii) NRG-1 dated April 1, 2000 and No.ELD-2001/CR-1069/ NRG-1 dated April 4, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. The Hon'ble High Court vide Order dated February 23, 2010 quashed and set aside the aforesaid Notification. Accordingly, the Company during the year 2009/2010, has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard	1375.74	1375.74

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Note 25:		
Additional information to the financial statements and disclosure under Accounting Standards (Contd.)		
(c) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Note 6.		
(d) Payments to Auditors*:		
(i) As Auditors	9.00	9.00
(ii) For Tax Audit	2.50	2.50
(iii) In respect of certification, etc.	1.55	1.95
(iv) For Taxation matters.....	14.45	36.10
(vi) For expenses.....	0.20	0.13
(vii) For service tax.....	3.59	5.12
	31.29	54.80

(* includes payments made to an affiliated firm)

(e) Segment Information

Information about primary business segments.

The Company's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading

	Real Estate	Trading	Total (₹ in lakhs)
REVENUE.....	109.11 563.97	732.06 682.61	841.17 1246.58
RESULT:			
Segment Result	(3.40) 475.86	3.78 5.89	0.38 481.75
Unallocated Corporate Expenses			1531.50 1605.05
Operating Loss			(1531.12) (1123.30)
Unallocated Income.....			920.68 1087.53
Excess provision for tax			96.76 25.71
(Loss) after tax.....			(513.68) (10.06)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

(e) Segment Information (Contd.)

	Real Estate	Trading	Total
			(₹ in lakhs)
OTHER INFORMATION:			
Segment Assets.....	12130.78	228.86	12359.64
	<i>14967.30</i>	<i>278.78</i>	<i>15246.08</i>
Unallocated Corporate Assets			3045.55
			<i>2377.15</i>
Total Assets.....			15405.19
			<i>17623.23</i>
Segment Liabilities.....	470.27	32.60	502.87
	<i>1630.70</i>	<i>14.25</i>	<i>1644.95</i>
Unallocated Corporate Liabilities			1328.64
			<i>1326.45</i>
Total Liabilities.....			1831.51
			<i>2971.40</i>
Capital Expenditure	162.99	0.14	163.13
	<i>1570.53</i>	<i>0.13</i>	<i>1570.66</i>
Depreciation.....	93.67	0.74	94.41
	<i>88.12</i>	<i>0.73</i>	<i>88.85</i>

Note:

- (i) The Company does not have any reportable secondary segments.
- (ii) Figures shown in italics are for previous year

(f) Related Party Disclosure:

(i) Names of related parties where control exists:

Name of the related party	Relationship
Standard Salt Works Limited	Subsidiary
Stan Plaza Limited	Subsidiary
Mafatlal Enterprises Limited	Subsidiary

(ii) Related parties with whom transactions have taken place:

Shanudeep Private Limited Enterprise over which key management personnel and their relatives are able to exercise significant influence.

Name of the related party	Relationship
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla (till August 1, 2011)	Key Management Personnel
Mr. D. H. Parekh (w.e.f. August 2, 2011)	Key Management Personnel

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

(f) Related Party Disclosure: (Contd.)

(iii) Details of transactions with related parties:

(₹ in lakhs)

<u>Nature of transactions</u>	<u>Subsidiaries</u>	<u>Enterprise over which key management personnel and their relatives are able to exercise significant influence</u>	<u>Key Management personnel</u>	<u>Total</u>
Leave and Licence fees				
Shanudeep Private Limited	— (—)	107.74 (105.99)	— (—)	107.74 (105.99)
Corporate Office and Service facilities				
Shanudeep Private Limited	— (—)	133.48 (131.04)	— (—)	133.48 (131.04)
Payment of common expenses				
Shanudeep Private Limited	— (—)	14.52 (11.25)	— (—)	14.52 (11.25)
Sale of Transferable Development Rights				
Stan Plaza Limited.....	— (403.80)	— (—)	— (—)	— (403.80)
Interest on Unsecured Loan				
Standard Salt Works Limited	58.69 (58.69)	— (—)	— (—)	58.69 (58.69)
Unsecured Loan given				
Stan Plaza Limited.....	95.63 (281.83)	— (—)	— (—)	95.63 (281.83)
Standard Salt Works Limited	950.08 (111.96)	— (—)	— (—)	950.08 (111.96)
Unsecured Loan received back				
Stan Plaza Limited.....	55.37 (78.46)	— (—)	— (—)	55.37 (78.46)
Standard Salt Works Limited	1070.90 (138.00)	— (—)	— (—)	1070.90 (138.00)
Advances Given				
Stan Plaza Limited.....	3.00 (0.50)	— (—)	— (—)	3.00 (0.50)
Mafatlal Enterprises Limited	0.01 (0.01)	— (—)	— (—)	0.01 (0.01)
Advances Received Back				
Stan Plaza Limited.....	1.35 (—)	— (—)	— (—)	1.35 (—)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

(f) Related Party Disclosure: (Contd.)

(iii) Details of transactions with related parties: (Contd.)

(₹ in lakhs)

<u>Nature of transactions</u>	<u>Subsidiaries</u>	<u>Enterprise over which key management personnel and their relatives are able to exercise significant influence</u>	<u>Key Management personnel</u>	<u>Total</u>
Managerial Remuneration				
Mr. K. J.Pardiwalla (including Retirement benefits).....	— (—)	— (—)	— (138.40)	— (138.40)
Mr. D. H. Parekh	— (—)	— (—)	41.40 (23.85)	41.40 (23.85)
Directors' Sitting Fees				
Mr. Pradeep R. Mafatlal	— (—)	— (—)	1.75 (1.92)	1.75 (1.92)
Mrs. Divya P. Mafatlal.....	— (—)	— (—)	0.80 (1.00)	0.80 (1.00)
Outstanding balance as on March 31, 2013				
Standard Salt Works Limited				
Unsecured Loan	832.66 (953.48)	— (—)	— (—)	832.66 (953.48)
Interest accrued and not due.....	128.29 (75.47)	— (—)	— (—)	128.29 (75.47)
Stan Plaza Limited				
Unsecured Loan	711.63 (671.37)	— (—)	— (—)	711.63 (671.37)
Trade receivable	393.80 (393.80)	— (—)	— (—)	393.80 (393.80)
Advances receivable.....	2.37 (0.72)	— (—)	— (—)	2.37 (0.72)
Mafatlal Enterprises Limited				
Advances receivable.....	0.16 (0.15)	— (—)	— (—)	0.16 (0.15)

Notes:

1. Figures shown in bracket pertains to previous year.
2. There are no provisions for doubtful debts or written back during the year for debts due from or due to related parties.

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

Particulars	Year ended March 31, 2013 ₹ in Lakhs	Year ended March 31, 2012 ₹ in Lakhs
(g) Assets taken on operating lease: (Leave and Licence)		
(i) Future lease rentals in respect of premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year.....	97.20	97.20
Amount due later than one year and not later than five years.....	134.30	231.50
Amount due later than five years.....	—	—
(ii) Amount of lease rentals in respect of operating leases recognised in the Statement of Profit and Loss is ₹ 97.20 lakhs (Previous year ₹ 97.20 lakhs)		
(h) Earnings per Share is calculated as follows:		
(Loss) for the year available for equity shareholders (₹ in lakhs)	(513.68)	(10.06)
Weighted average number of Equity Shares-Basic and Diluted (Nos.).....	64328941	64328941
Earnings per share (₹) - Basic and Diluted	(0.80)	(0.02)
Nominal value per share (₹)	5.00	5.00
(i) Components of Deferred Tax Asset/(Liability)		
Difference in Tax and Book Written Down Value of fixed assets	(110.57)	(73.19)
Business Loss and Unabsorbed Depreciation.....	1155.29	745.33
Disallowances under the Income-tax Act, 1961	177.36	211.34
Deferred Tax Asset (Net)*	1222.08	883.48

* The Net Deferred Tax Asset as at March 31, 2013 has not been accounted in view of the requirements of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

(j) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended March 31, 2013	₹ in lakhs	
		Year ended March 31, 2012	
(i) Travelling	43.70		63.85
(ii) Miscellaneous Expenses	5.14		1.55
Total.....	48.84		65.40

(k) Value of stores and spare-parts consumed

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	₹ in lakhs	% of total consumption	₹ in lakhs	% of total consumption
Imported	—	—	—	—
Indigenous (Packing materials).....	11.70	100.00	2.44	100.00
Total.....	11.70	100.00	2.44	100.00

(l) Amount remitted during the financial year in foreign currency on account of Dividends

Particulars	Year ended March 31, 2013	₹ in lakhs	
		Year ended March 31, 2012	
Financial year to which dividend relates	2011-12		2010-11
Number of non-resident shareholders.....	3		3
Number of Equity Shares held by them on which dividend was due	25000087		25000087
Amount remitted in foreign currency on account of dividends (₹ in lakhs)	187.50		187.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

- (m) Disclosure required by Clause 32 of the Listing Agreement (to the extent applicable)

Particulars	₹ in lakhs	
	As at March 31, 2013	As at March 31, 2012
(i) Stan Plaza Limited	1107.80	1065.89
Maximum amount outstanding	1154.55	1065.89
(ii) Mafatlal Enterprises Limited	0.16	0.15
Maximum amount outstanding	0.16	0.15
(iii) Standard Salt Works Limited	832.66	953.48
Maximum amount outstanding	973.12	992.17

Loans and Advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below the rate prescribed in Section 372A of Companies Act, 1956 ₹ – Nil (Previous year Nil).

- (n) The Company owns a piece of freehold land at Sewree, Mumbai admeasuring 5413.92 sq. mtrs., which was part of the land on which the Company operated a cotton textile mill in earlier years. Under the Development Plan of the Brihanmumbai Municipal Corporation (BMC), the said piece of land was under reservation as a recreation ground (RG) under the Development Control Regulations for Greater Mumbai, 1991 (DCR). Under the provisions of Maharashtra Regional and Town Planning Act, 1966, in lieu of the aforesaid reservation, the Company, at its discretion would be entitled to either the market value of the land or to Transferable Development Rights (TDR) benefits among other benefits.

As per the Notification No. TPB.432001/2174/CR-227/01/UD-11 dated June 14, 2006, issued by the Government of Maharashtra, it was clarified that in case of land belonging to cotton textile mills, the development of the mill land would be governed by DCR Rule 58(10). As per the said Rule, development of land, such as the aforesaid, need to be done in the following manner:

- 40% of the plot area can be developed by the Owner of the plot;
- 33% of the plot area needs to be earmarked for recreation ground, for which the Floor Space Index (FSI) of such earmarked plot area will be available to the Owner, and
- 27% of the plot area needs to be handed over to the Maharashtra Housing and Area Development Authorities (MHADA) in lieu of TDR to be issued to the Owner.

Accordingly, the Company has applied for compensatory FSI in accordance with the aforesaid DCR Rule.

Subsequently, pending disposal of the Company's application, DCR Rule 58(10) was again modified vide Notification No. TPB.4307/214/CR-41/2007/UD-11 dated May 2, 2009, clarifying that reserved lands of textile mills need to be handed over to the BMC in lieu of issue of only TDR for the entire land to the Owners. The Company, however is pursuing its earlier application with the authorities, as it had made its application before the modification to the Rule as aforesaid.

The Company, in any case is entitled for a minimum TDR relating to 27% of the plot area in both the aforesaid scenarios.

During the previous year, the Company entered into a Memorandum of Understanding (MOU) dated March 26, 2012 with Stan Plaza Limited (SPL), a wholly owned subsidiary, whereby the Company agreed to transfer the 16825 Sq. ft. of TDR relating to 27% of the plot area, as aforesaid, to SPL for a consideration of ₹ 403.80 lakhs

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

as per valuation done by expert valuers. As per the terms of the MOU, the Company, within three months of the date of the MOU, is required to obtain the Development Rights Certificate (DRC), the title document for the TDR, from the authorities and endorse the same in the name of SPL, failing which the MOU will stand cancelled. The Company is in the process of obtaining the DRC and has during the year, further extended the MOU upto November 30, 2013.

Accordingly, the Company, during the previous year, has accounted for the said consideration by credit to the Statement of Profit and Loss, which is disclosed in Note 20 (II) – “Other Operating Income”.

- (o) The Company has an investment in a wholly owned subsidiary, namely, Standard Salt Works Limited (SSWL) aggregating to ₹ **60.78 lakhs** (*Previous year ₹ 60.78 lakhs*). The Company has given unsecured loans aggregating to ₹ 832.66 lakhs as at the year-end to SSWL. Out of which loan of ₹ **782.50 lakhs** (*Previous year ₹ 782.50 lakhs*) is interest bearing and loan of ₹ **50.16 lakhs** (*Previous year ₹ 170.98 lakhs*) is interest free. As per the latest available balance sheet of SSWL, as at March 31, 2013, its net worth has been eroded. However, in view of the long-term strategic nature of the investment and the future growth prospects of the subsidiary, no provision for diminution in the value of the investment and for the unsecured loans is considered necessary at this stage.
- (p) The Company had received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended March 31, 2007 relating to its chemical products, audited by a specified cost auditor. However, since the operations at the Chemical Plant have been closed, the Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.
- (q) The Company had entered into a Lease Agreement dated April 1, 1967 with Maharashtra Industrial Development Corporation (MIDC) for a term of 100 years, calculated from August 1, 1965, in respect of land admeasuring 92.25 acres located at Plot No.4, in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane.

Out of the above, the Company, in an earlier year, has transferred and assigned all its rights, title and interest in respect of land admeasuring 30 acres to a party for consideration.

The Company had decided to develop the balance land admeasuring 62.25 acres commercially for which the Company was examining various proposals for development. Consequently, the amount representing the net asset value (cost less accumulated amortization) of the said 62.25 acres aggregating to ₹ 2209.68 lakhs, being the lower of cost and fair value (as per valuation report), had been transferred from Fixed Assets to Property under Development in the earlier previous year in-line with the aforesaid new focus in the business of the Company. The balance amount in the Revaluation Reserve pertaining to the aforesaid land had been accordingly adjusted in the earlier previous year.

During the previous year, the Company has entered into a Term Sheet with a party for development of the aforesaid balance leasehold land on the following terms and conditions:

The Company will receive:

- (i) aggregate sum of ₹ 13000 lakhs spread over a period of five years; and
- (ii) 20% constructed IT space/area in the development.

The Company was in the process of entering into a Definitive Agreement for development of the aforesaid land and had received an advance of ₹ 1100 lakhs on this account.

However, the Board of Directors of the Company, in their meeting held on October 19, 2012, have reviewed the progress of the said understanding with the said party on account of delays in reaching the final agreement for development. The Company and the party mutually decided to terminate the aforesaid Term Sheet with effect from October 19, 2012. In pursuance thereto, the Company refunded without interest, the advance of ₹ 1100 lakhs.

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

(r) Employees Retirement Benefits:

- (i) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" regarding the Company's gratuity plan are as follows:

Amount recognized in the Balance Sheet:

Particulars	₹ in lakhs	
	As at March 31, 2013	As at March 31, 2012
Present Value of Funded Obligations.....	(119.67)	(86.52)
Fair Value of Plan Asset	92.05	86.82
Net (Liability)/Asset	(27.62)	0.30
Amounts in the Balance Sheet		
Liabilities	(27.62)	0.30
Assets.....	—	—
Net (Liability)/ Assets	(27.62)	0.30

Expenses to be recognized in Statement of Profit and Loss:

Particulars	₹ in lakhs	
	As at March 31, 2013	As at March 31, 2012
Current Service Cost	4.21	3.15
Interest Cost.....	6.92	11.89
Expected return on Plan Assets	(7.47)	(11.67)
Net Actuarial Loss/(Gain) recognized in year	24.26	33.17
Total included in "Employee Benefit Expense"	27.92	36.54

Reconciliation of Benefit Obligations and Plan Assets for the year:

Particulars	₹ in lakhs	
	As at March 31, 2013	As at March 31, 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	86.52	148.60
Current Service Cost	4.21	3.15
Interest Cost	6.92	11.89
Benefit Paid	(2.61)	(106.18)
Actuarial Loss/(Gain)	24.63	29.06
Closing Defined Benefit Obligation	119.67	86.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

Additional information to the financial statements and disclosure under Accounting Standards (Contd.)

Particulars	₹ in lakhs	
	As at March 31, 2013	As at March 31, 2012
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	86.82	145.89
Expected Return on Plan Assets	7.47	11.67
Contributions.....	—	39.56
Benefit paid.....	(2.61)	(106.18)
Actuarial Gain/(Loss) on Plan Assets	0.37	(4.12)
Closing Fair Value of Plan Assets	92.05	86.82

The major categories of plan assets as percentage of total plan assets:

Fund is managed by Standard Industries Limited Employees' Gratuity Fund. Composition of the plan assets is as follows:

In State Government Securities	17.27	23.48
In Public Sector Undertakings Bonds	8.58	11.67
In Fixed Deposit and Balance with Scheduled Banks.....	74.15	64.85

	As at March 31, 2013	As at March 31, 2012
(ii) Assumptions:		
Discount rate.....	8.00%	8.00%
Rate of increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current	8.70%	8.60%

(s) "Other Current Liabilities" (Note 7) includes amount aggregating to ₹ **14.28 lakhs** (Previous year ₹ 52.98 lakhs) relating to the refund of Income-tax received by the Company for various assessment years. However, the Company has preferred appeals against the same which are pending with the Income-tax authorities. Hence, the appropriate accounting treatment for the aforesaid will be given in the accounts on disposal of the said appeals.

(t) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year.

Signature to Notes 1 to 25

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

TANAZ B. PANTHAKI
Vice President (Legal)
& Company Secretary

Mumbai, Dated: May 21, 2013

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

Mumbai, Dated: May 21, 2013

STANDARD INDUSTRIES LTD.

STATEMENT PURSUANT TO DIRECTION ISSUED VIDE CIRCULAR NO. 2/2011 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.

₹ in lakhs

Sr. No.	Particular	Standard Salt Works Ltd.	Stan Plaza Limited	Mafatlal Enterprises Limited
a.	Capital	14.26	5.00	5.00
b.	Reserves	(2,592.39)	(3.03)	(2.01)
c.	Total Assets	1577.47	1760.79	3.21
d.	Total Liabilities	4155.60	1758.82	0.22
e.	Details of Investments (except investment in subsidiaries)	0.54	259.22	—
f.	Turnover	326.23	—	—
g.	(Loss)/Profit before Taxation	(1,541.01)	(1.31)	(0.29)
h.	Provision for Taxation	—	—	—
i.	(Loss)/Profit after Taxation	(1,541.01)	(1.31)	(0.29)
j.	Proposed Dividend	—	—	—

INDEPENDENT AUDITORS' REPORT

TO
THE BOARD OF DIRECTORS OF
STANDARD INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **STANDARD INDUSTRIES LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of three subsidiaries whose financial statements / financial information reflect total assets (net) of ₹ 2937.67 lakhs as at March 31, 2013, total revenues of ₹ 330.52 lakhs and net cash flows amounting to ₹ 2.80 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

A. B. JANI
Partner

Membership No. 46488

Place : Mumbai,
Dated : May 21, 2013

STANDARD INDUSTRIES LTD.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	2	3216.45	3216.45
(b) Reserves and surplus	3	7360.27	9981.03
		10576.72	13197.48
(2) NON-CURRENT LIABILITIES			
(a) Long-term Borrowings	4	3580.96	1153.20
(b) Other long-term liabilities.....	5	193.85	19.45
(c) Long-term provisions	6	24.41	3.97
		3799.22	1176.62
(3) CURRENT LIABILITIES			
(a) Trade payables.....	7	185.46	123.52
(b) Other current liabilities.....	8	445.43	1642.69
(c) Short-term provisions.....	9	1247.10	1233.99
		1877.99	3000.20
Total....		16253.93	17374.30
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	10	3456.39	2519.60
(ii) Intangible assets	10	70.66	70.66
(iii) Capital work-in-progress.....	10	1090.89	1105.92
		4617.94	3696.18
(b) Goodwill on consolidation		50.77	50.77
(c) Non-current investments.....	11	372.37	372.32
(d) Long-term loans and advances.....	12	1594.26	1478.12
(e) Other non-current assets.....	13	105.23	105.23
		6740.57	5702.62
(2) CURRENT ASSETS			
(a) Current investments	14	799.97	109.36
(b) Inventories	15	216.96	163.76
(c) Property under development.....	16	2209.68	2209.68
(d) Trade receivables	17	135.46	113.19
(e) Cash and Cash Equivalents	18	2365.74	7578.11
(f) Short-term loans and advances	19	3758.41	1432.80
(g) Other current asset	20	27.14	64.78
		9513.36	11671.68
Total....		16253.93	17374.30

See accompanying notes forming part of the consolidated Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

P. R. MAFATLAL
Chairman

A. B. JANI
Partner

TANAZ B. PANTHAKI
Vice President (Legal) & Company Secretary

D. H. PAREKH
Executive Director

Mumbai, Dated: May 21, 2013

Mumbai, Dated: May 21, 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Note No.	Year ended March 31, 2013 ₹ in lakhs	Year ended March 31, 2012 ₹ in lakhs
(I) INCOME			
(a) Revenue from operations.....	21	1167.40	1049.83
(b) Other income.....	22	866.28	1029.21
Total....		<u>2033.68</u>	<u>2079.04</u>
(II) EXPENSES			
(a) Purchase of Traded Goods.....		673.09	657.72
(b) Changes in Inventories of Stock-in-trade.....	23	(49.99)	(32.03)
(c) Employee benefits expense.....	24	218.12	256.94
(d) Depreciation	10	1535.81	664.11
(e) Other expenses	25	1614.93	1552.14
(f) Finance Cost	26	194.77	21.61
Total....		<u>4186.73</u>	<u>3120.49</u>
(III) (LOSS) BEFORE TAXES (I - II)		(2153.05)	(1041.45)
(IV) TAX EXPENSE			
(a) Current Tax		—	—
(b) Excess provision for taxes in respect of earlier years.....		96.76	26.87
(V) (LOSS) FOR THE YEAR [III - IV(A) + IV(B)]		<u>(2056.29)</u>	<u>(1014.58)</u>
(VI) EARNINGS PER SHARE – BASIC AND DILUTED ₹		(3.20)	(1.58)
Nominal value per share ₹		5.00	5.00
[Refer Note 27(h)]			

See accompanying notes forming part of the consolidated Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

P. R. MAFATLAL
Chairman

A. B. JANI
Partner

TANAZ B. PANTHAKI
Vice President (Legal) & Company Secretary

D. H. PAREKH
Executive Director

Mumbai, Dated: May 21, 2013

Mumbai, Dated: May 21, 2013

STANDARD INDUSTRIES LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013 ₹ in lakhs	Year ended March 31, 2012 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(LOSS) BEFORE TAXES.....	(2153.05)	(1041.45)
<u>Adjustments for:</u>		
Depreciation	1535.81	664.11
Sundry Debit balances written off	136.32	—
Provision for doubtful advances.....	18.84	—
Interest on long-term Borrowings.....	194.77	21.62
Loss on write off/sale of Fixed Assets (net).....	4.66	6.61
Sundry Credit balances written back.....	(0.15)	(6.39)
Excess Provision for Doubtful Advances written back.....	(174.39)	(107.53)
Dividend on current/non-current Investments.....	(14.46)	(13.67)
Interest income on Fixed Deposits with Banks	(404.74)	(763.85)
Interest income on Inter Corporate Deposits	(246.13)	(64.29)
Gain on sale of current Investments	—	(65.10)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES.....	1050.53	(328.49)
(Increase)/Decrease in Trade and other receivables.....	(89.99)	279.06
(Increase) in Inventories	(53.20)	(32.03)
(Decrease)/Increase in Trade and other payables	(1026.85)	1205.55
	(1170.04)	1452.58
Direct Taxes paid (net)	(90.54)	(99.75)
NET CASH (USED IN) OPERATING ACTIVITIES (A)	(2363.10)	(17.11)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets.....	(2536.00)	(2453.51)
Purchase of current/non-current Investments	(1973.16)	(876.81)
Sale of current Investments	1282.50	1563.35
Sale of Fixed Assets.....	1.57	11.43
Dividend current/non-current Investments	14.46	13.67
Interest income on Fixed Deposits with Banks.....	442.38	778.40
Interest income on Inter Corporate Deposits.....	246.13	64.29
Inter Corporate Deposit given.....	(2200.00)	(830.00)
NET CASH (USED IN) INVESTING ACTIVITIES (B).....	(4722.12)	(1729.18)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013 ₹ in lakhs	Year ended March 31, 2012 ₹ in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured Loan taken from body corporates	2427.76	688.20
Dividend Paid	(476.64)	(481.49)
Corporate Dividend Tax paid	(78.27)	(78.27)
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES (C)	1872.85	128.44
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(5212.37)	(1617.85)
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 2012	7578.11	9195.96
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2013	2365.74	7578.11

NOTES:

- Components of cash and cash equivalents include cash and bank balance (Refer Note 18 forming part of the consolidated financial statements).
- Cash and cash equivalents excludes deposits having bank lien against which bank guarantee has been issued by the bank to the Excise authorities on behalf of the Company for a period exceeding 12 months aggregating to ₹ **105.23 lakhs** and accordingly the same has been disclosed in 'Other non-current assets in the Note 13'.
- Reconciliation of Cash and cash equivalents with the financial statement.
Cash and cash equivalents as per financial statement (Refer Note 18) **2365.74**
Less: Earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements' **40.33**
Cash and Cash equivalents at the end of the year **2325.41**
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "cash flow statement".

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

P. R. MAFATLAL
Chairman

A. B. JANI
Partner

TANAZ B. PANTHAKI
Vice President (Legal) & Company Secretary

D. H. PAREKH
Executive Director

Mumbai, Dated: May 21, 2013

Mumbai, Dated: May 21, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1:

Significant Accounting Policies:

(a) Principles of Consolidation

The Consolidated Financial Statements relate to Standard Industries Limited ('the Parent Company') and its wholly owned subsidiaries Standard Salt Works Limited (SSWL), Mafatal Enterprises Limited (MEL) and Stan Plaza Limited (SPL), (the subsidiaries), referred to as "The Group".

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21) issued under Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis:

Investments in Subsidiaries

- i) The Financial Statements of the Group have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- ii) The difference between the cost of investment in the Subsidiaries over the Parent Company's portion of equity of the subsidiaries is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.
- iii) The Financial Statements of the subsidiaries are drawn up to March 31, 2013.
- iv) Goodwill arising on consolidation is not amortised and it is tested for impairment on annual basis
- v) The subsidiaries considered in the presentation of these consolidated financial statements are:

Name	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2013	Proportion of Ownership Interest as at March 31, 2012
Standard Salt Works Limited	India	100%	100%
Stan Plaza Limited	India	100%	100%
Mafatal Enterprises Limited	India	100%	100%

(b) Use of Estimates:

The preparation of the consolidated financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

(c) Inventories:

Inventories of the Parent Company are valued at lower of cost and net realizable value.

In respect of SSWL, stores and tools are acquired as and when required and treated as consumed at the time of acquisition.

(d) Property Under Development:

Property under development represents leasehold land of the Parent Company converted into stock-in-trade on the basis of lower of the cost and fair value as valued by external valuers on the date of conversion [Refer Note 27(j)].

(e) Depreciation:

Depreciation is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(f) Revenue Recognition:

Revenue from sale of products is recognised net of returns and on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales exclude sales tax and value added tax. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the same is established. Revenue (income) is recognized when no significant uncertainty as to determination/realization exists.

(g) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction and include amounts added on revaluation less accumulated depreciation and impairment loss.

Fixed Assets of the Parent Company viz. land, buildings, plant and machinery as on December 31, 1984 had been revalued on the basis of their current replacement price as on December 31, 1985 and related factors. Accordingly, they were stated at revalued cost.

(h) Foreign Currency Transactions:

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using closing rates of exchange. Exchange differences arising thereon and on realization/payment of foreign exchange are accounted, in the relevant year, as income or expense.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Investments:

Current Investments are carried at lower of cost and fair value. Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline.

(j) Employee Benefits:

- (i) Contributions payable to the Parent Company's Provident fund and Superannuation Fund, which is defined contribution scheme, are charged to revenue.
- (ii) The Parent Company's liability for Gratuity funds is defined benefit scheme, which is funded through Trust set-up by the Parent Company. The difference between the actuarial valuation for Gratuity and the balance in the Fund maintained by Trust as at the year-end is provided for in the accounts. In case of one of the subsidiary, SSWL, provision for gratuity is made in the accounts in accordance with the provisions of Payment of Gratuity Act, 1972.
- (iii) The Parent Company's Liability in respect of compensated absences is charged on the basis of actuarial valuation as at the year-end.

(k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(l) Taxes on Income:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same. [Refer Note 27(i)].

Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-tax Act, 1961, is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI).

(m) Impairment of Assets:

At the end of each year, the Parent Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets". An impairment loss is charged to the Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(n) Provisions and Contingencies:

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

(o) Doubtful Debts/Advances:

Provision is made in accounts for debts/advances which are considered doubtful of recovery.

Note 2:

SHARE CAPITAL

Authorised:

	As at March 31, 2013	<i>As at March 31, 2012</i>
	₹ in lakhs	<i>₹ in lakhs</i>
15,00,00,000 Equity Shares of ₹ 5/- each	7500.00	<i>7500.00</i>
	7500.00	<i>7500.00</i>

Issued, Subscribed and Paid-up:

6,43,28,641 Equity Shares of ₹ 5/- each fully paid-up.....	3216.45	<i>3216.45</i>
Total....	3216.45	<i>3216.45</i>

Note:

- (i) Details of Equity Shares held by each shareholder holding more than 5% shares

Name of the Equity Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Stanrose Mafatlal Investments & Finance Limited	12,404,487	19.28	12,404,487	19.28
Satin Limited	25,000,000	38.86	25,000,000	38.86

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (ii) Reconciliation of the number of Equity Shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	No. of fully paid Equity Shares	₹ in Lakhs	No. of fully paid Equity Shares	₹ in Lakhs
Equity Shares outstanding at the beginning of the year.....	64328941	3216.45	64328941	3216.45
Fresh issue of Equity Shares.....	—	—	—	—
Equity Shares outstanding at the end of the year	64328941	3216.45	64328941	3216.45

- (iii) All Equity Shares carry similar voting rights and have an equal right to dividends and in case of repayment of capital.

	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Note 3:		
RESERVES AND SURPLUS		
(a) Capital Reserve – Cash Subsidy		
As per last Balance Sheet.....	4.14	4.14
(b) Capital Redemption Reserve		
As per last Balance Sheet.....	12.00	12.00
(c) Securities Premium Account		
As per last Balance Sheet.....	2526.90	2526.90
(d) Revaluation Reserve:		
As per last Balance Sheet.....	13.56	13.56
(e) General Reserve:		
As per last Balance Sheet.....	1004.00	1004.00
(f) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year.....	6420.43	7995.75
Less: (Loss) for the year.....	<u>(2056.29)</u>	<u>(1014.58)</u>
	4364.14	6981.17
Less: Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	<u>82.00</u>	<u>78.27</u>
	564.47	560.74
Closing Balance.....	<u>3799.67</u>	<u>6420.43</u>
Total....	<u>7360.27</u>	<u>9981.03</u>

Note 4:

LONG-TERM BORROWINGS

Loan from body corporates.....	3580.96	1153.20
Total....	<u>3580.96</u>	<u>1153.20</u>

Note:

- (i) Loan taken by Standard Salt Works Limited of ₹ 2930.00 lakhs (previous year ₹ 550 lakhs) from body corporate – Surcot Trading Private Limited at the following terms:
- Interest payable @ 9.75% p.a. (Floating rate)
 - Principal and accrued interest due after 8 years from the date of loan
- (ii) Loan taken by Stan Plaza Limited of ₹ 10.00 lakhs (previous year ₹ 10.00 lakhs) from body corporate – Surcot Trading Private Limited at the following terms:
- Interest payable @ 9.75% p.a. (Floating rate)
 - Principal due after 5 years from the date of loan
- (iii) Loan taken by Stan Plaza Limited of ₹ 640.96 lakhs (previous year ₹ 593.20 lakhs) from body corporate – Stanrose Mafatal Investment & Finance Limited. Proceeds of the borrowings are utilised for investment in equity of Calypso Premises Private Limited and purchase of land which is of long-term nature. Repayments of the borrowings will be on disposal of the same.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Note 5:		
OTHER LONG-TERM LIABILITIES		
Others:		
Interest accrued but not due on long-term borrowings	193.85	19.45
Total....	<u>193.85</u>	<u>19.45</u>
Note 6:		
LONG-TERM PROVISIONS		
Provision for employee benefits		
— For Compensated Absences	1.84	3.97
— For Gratuity [Refer Note 27(k)]	22.57	—
Total....	<u>24.41</u>	<u>3.97</u>
Note 7:		
TRADE PAYABLES		
(a) Total Outstanding dues of Micro, Small and Medium Enterprises [Refer Note 27(d)]	—	—
(b) Total Outstanding dues of other than Micro, Small and Medium Enterprises.....	185.46	123.52
Total....	<u>185.46</u>	<u>123.52</u>
Note 8:		
OTHER CURRENT LIABILITIES		
(a) Unpaid Dividends (Due for transfer to Investor Education and Protection Fund of ₹ 4.46 lakhs (Previous year ₹ Nil)	36.17	30.34
(b) Other Payable:		
(i) Statutory Liabilities	228.46	198.39
(ii) Payable on Purchase of Fixed Assets.....	128.01	234.84
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received]	19.39	23.03
(iv) Trade Deposits received [Refer Note 27(j)]	—	1100.00
(v) Others [Refer Note 27(m)]	33.40	56.09
Total....	<u>445.43</u>	<u>1642.69</u>
Note 9:		
SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) For Gratuity/ex-gratia/VRS [Refer Note 27(k)].....	26.18	22.91
(ii) For Compensated Absences	25.18	18.84
(b) Others:		
(i) For Income-Tax	47.61	47.84
(ii) Proposed Dividend on equity shares.....	482.47	482.47
(iii) Corporate Dividend Tax	82.00	78.27
(iv) For Disputed Rent [Refer Note 27(b)].....	583.66	583.66
Total....	<u>1247.10</u>	<u>1233.99</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10:

FIXED ASSETS

₹ in lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2012	Additions	Deduction	As at March 31, 2013	Upto March 31, 2012	For the Year	Deduction	Upto March 31, 2013	As at March 31, 2013
(I) Tangible Assets:									
(a) Land.....	278.73	—	—	278.73	—	—	—	—	278.73
(Previous Year).....	(25.82)	(252.91)	—	(278.73)	—	—	—	—	(278.73)
(b) Buildings.....	1418.77	70.77	—	1489.54	186.33	23.81	—	210.14	1279.40
(Previous Year).....	(756.70)	(663.26)	(1.19)	(1418.77)	(167.40)	(19.32)	(0.39)	(186.33)	(1232.44)
(c) Plant and Machinery.....	233.25	9.17	0.06	242.36	117.18	11.30	0.06	128.42	113.94
(Previous Year).....	(249.23)	(11.59)	(27.57)	(233.25)	(118.22)	(12.11)	(13.15)	(117.18)	(116.07)
(d) Furniture and Fixtures.....	166.25	21.37	0.30	187.32	55.67	11.38	0.14	66.91	120.41
(Previous Year).....	(252.02)	(37.82)	(123.59)	(166.25)	(169.97)	(9.29)	(123.59)	(55.67)	(110.58)
(e) Office Equipments.....	62.36	6.55	7.60	61.31	18.66	3.01	3.20	18.47	42.84
(Previous Year).....	(50.72)	(11.64)	—	(62.36)	(15.85)	(2.81)	—	(18.66)	(43.70)
(f) Vehicles.....	517.56	8.97	6.41	520.12	217.84	48.33	4.74	261.43	258.69
(Previous Year).....	(524.82)	—	(7.26)	(517.56)	(173.06)	(49.20)	(4.42)	(217.84)	(299.72)
(g) Salt Works-Reservoirs, Salt Pans.....	1429.24	2362.00	—	3791.24	990.88	1437.98	—	2428.86	1362.38
(Previous Year).....	(872.25)	(556.99)	—	(1429.24)	(419.50)	(571.38)	—	(990.88)	(438.36)
Total....	4106.16	2478.83	14.37	6570.62	1586.56	1535.81	8.14	3114.23	3456.39
(Previous Year).....	(2731.56)	(1534.21)	(159.61)	(4106.16)	(1064.00)	(664.11)	(141.55)	(1586.56)	(2519.60)
(II) Intangible Assets:									
Tenancy Rights.....	70.66	—	—	70.66	—	—	—	—	70.66
(Previous Year).....	—	(70.66)	—	(70.66)	—	—	—	—	(70.66)
Total....	70.66	—	—	70.66	—	—	—	—	70.66
(Previous Year).....	—	(70.66)	—	(70.66)	—	—	—	—	(70.66)
(III) Capital Work-In-Progress:									
Assets under Construction.....									1090.89
(Previous Year).....									(1105.92)
Total....									4617.94
(Previous Year).....									(3696.18)

Notes:

- Buildings include ₹ 1199.96 lakhs (previous year ₹ 1147.83 lakhs) being the original cost of ownership flats. The Parent Company holds 175 shares (previous year 135 shares) of the aggregate face value of ₹ 0.09 lakh (previous year ₹ 0.07 lakh) in Co-operative Societies under the bye laws of Societies. The shares in respect of certain flats are yet to be received.
- Addition to the Salt Works made during the year include costs incurred for levelling, compacting, excavating, developing of Salt fields and roads, etc.

	As at March 31, 2013	As at March 31, 2012
₹ in lakhs	₹ in lakhs	₹ in lakhs

Note 11:

NON CURRENT INVESTMENTS

Other Investments (Non-trade)

(I) In Quoted Equity Shares

(a) Nocil Limited		
13320 Equity Shares of face value of ₹ 10/- each ...	0.17	0.17
(b) Stanrose Mafatial Investment & Fin.		
18989 (Previous year 18925) Equity Shares of face value of ₹ 10/- each	19.14	19.09

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2013	As at March 31, 2012
₹ in lakhs	₹ in lakhs	₹ in lakhs
(c) Finolex Industries Ltd. 20000 Equity Shares of face value of ₹ 10/- each ...	11.44	11.44
(d) HDFC Bank Limited 7500 Equity Shares of face value of ₹ 2/- each	35.55	35.55
(e) State Bank of India 2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
	104.46	104.41
(II) In Unquoted Equity Shares		
(a) Stanrose Mafatlal Lubechem Limited 200 Equity Shares of face value of ₹ 5/- each*	—	—
(b) Syngenta India Limited 2000 Equity Shares of face value of ₹ 10/- each.....	8.69	8.69
(c) Calypso Premises Private Limited 1447714 Equity Shares of face value of ₹ 10/- each	259.22	259.22
	267.91	267.91
Total....	372.37	372.32

Note:

	Cost ₹ in lakhs	Market value ₹ in lakhs
Aggregate of quoted investments.....	104.46	130.65
Previous year.....	104.41	115.57
Aggregate of unquoted investments	267.91	
Previous year.....	267.91	
Total....	372.37	
Previous year....	372.32	

* The cost of these shares as on March 31, 2013 / March 31, 2012 is Re.1

Note 12:

LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
(a) Capital Advances.....	0.10	34.74
(b) Security Deposits.....	30.72	30.76
(c) Advance Tax (Net of Provisions).....	380.43	376.43
(d) Other Loans and Advances		
(i) Balance with Government authorities	314.16	234.81
(i) (includes deposit paid under protest to Excise authorities, etc.)		
(ii) Loan to body corporate	768.54	681.23
(iii) Advances to Creditors		
— Considered good	100.31	120.15
— Considered doubtful.....	109.88	265.43
Less: Provision.....	109.88	265.43
Total....	1594.26	1478.12

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Note 13:		
OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Fixed Deposits with banks – under lien	105.23	105.23
Total....	<u>105.23</u>	<u>105.23</u>
Note 14:		
CURRENT INVESTMENTS		
(unquoted-at cost)		
(I) Investments in Mutual Funds		
(a) HDFC Cash management Fund		
4308405.664 units (Previous year 1014223.048) of ₹ 10/- each	432.20	101.74
(b) Templeton India Cash Management		
579194.936 units (Previous year 70754.300) of ₹ 10/- each	57.94	7.08
(c) Birla Sun Life Cash Manager		
308928.827 units (Previous year Nil) of ₹ 100/- each	309.29	—
(II) Investments in Government Securities		
In National Savings Certificate	0.54	0.54
Total....	<u>799.97</u>	<u>109.36</u>
Note 15:		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Stock-in-trade (Including Traded goods).....	178.54	133.09
(b) Stock-in-process	35.21	30.67
(c) Stock of packing materials	3.21	—
Total....	<u>216.96</u>	<u>163.76</u>
Note 16:		
PROPERTY UNDER DEVELOPMENT		
(at lower of cost and net realisable value)		
As per last Balance Sheet [Refer Note 27(j)]	2209.68	2209.68
Total....	<u>2209.68</u>	<u>2209.68</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
Note 17:		
TRADE RECEIVABLES		
(Unsecured)		
(a) Outstanding for a period exceeding six months from the date they were due for payment:		
— Considered good.....	55.23	56.83
— Considered doubtful.....	395.68	395.68
Less: Provision.....	395.68	395.68
	<u>—</u>	<u>—</u>
(b) Others (considered good).....	80.23	56.36
Total....	<u>135.46</u>	<u>113.19</u>
Note 18:		
CASH AND CASH EQUIVALENTS		
(Refer note below)		
(a) Cash on hand.....	6.79	8.85
(b) Balance with Banks		
(i) In current accounts.....	197.60	128.41
(ii) In earmarked accounts (unpaid dividend, etc.).....	40.33	36.66
(iii) In deposits accounts.....	2121.02	7404.19
	<u>2358.95</u>	<u>7569.26</u>
Total....	<u>2365.74</u>	<u>7578.11</u>
Note:		
Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3	<u>2325.41</u>	<u>7541.45</u>
Note 19:		
Short-Term Loans and Advances		
(Unsecured, considered good)		
(a) Security deposits.....	0.01	0.26
(b) Prepaid expenses.....	16.76	17.67
(c) Loan to employees.....	1.45	2.44
(d) Inter-Corporate Deposit.....	3500.00	1300.00
(e) Other Short-Term Advances		
(i) Advance to Creditors.....	24.48	28.30
(ii) Others [Includes Income-tax refund receivable of ₹ 160.83 lakhs (Previous year ₹ 19.45 lakhs)].....	215.71	84.13
Total....	<u>3758.41</u>	<u>1432.80</u>
Note 20:		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Accruals		
(i) Interest accrued but not due on bank deposits etc.....	26.59	64.23
(ii) Interest accrued and due on Government Securities.....	0.55	0.55
Total....	<u>27.14</u>	<u>64.78</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2013 ₹ in lakhs	Year ended March 31, 2012 ₹ in lakhs
Note 21:		
REVENUE FROM OPERATIONS		
(I) Sale of products		
(a) Traded goods		
(i) Cloth	671.28	639.60
(ii) Made-Ups	60.78	43.01
(b) Manufactured goods		
(i) Industrial Salt	320.37	205.92
(ii) Gypsum Salt	4.57	0.37
	1057.00	888.90
(II) Other Operating Income		
(a) Royalty received	13.69	13.89
(b) Refund of regulatory liability charges	95.42	95.42
(c) Sale of Scrap	—	50.86
(d) Income from weigh bridge	1.29	0.76
	110.40	160.93
Total....	1167.40	1049.83
Note 22:		
OTHER INCOME		
(a) Interest Income		
On Fixed Deposits with Banks	404.74	763.85
On Inter-corporate deposit	246.13	64.29
On Income-tax/Sales-tax refund	24.22	6.84
On Others (Security Deposits, etc.)	1.04	1.40
	676.13	836.38
(b) Dividend on non-current (long-term) investments	2.89	2.26
(c) Dividend on current investments	11.57	11.41
(d) Gain on sale of current investments	—	65.10
(e) Other Non-operating Income		
(i) Sundry credit balances written back	0.15	6.39
(ii) Excess provision for Doubtful Advances written back	174.39	107.53
(iii) Miscellaneous Income	1.15	0.14
	175.69	114.06
Total....	866.28	1029.21
Note 23:		
CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
(a) Inventories at the end of the year		
Finished Goods	178.54	133.09
Process Stock	35.21	30.67
	213.75	163.76
(b) Inventories at the beginning of the year		
Finished Goods	133.09	108.21
Process Stock	30.67	23.52
	163.76	131.73
Net (Increase)	(49.99)	(32.03)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2013	Year ended March 31, 2012
	₹ in lakhs	₹ in lakhs
Note 24:		
EMPLOYEE BENEFITS EXPENSE		
(a) Salaries	143.10	177.73
(b) Contribution to Provident and other Funds.....	44.00	58.47
(c) Staff Welfare.....	31.02	20.74
Total....	<u>218.12</u>	<u>256.94</u>

Note 25:		
OTHER EXPENSES		
(a) Packing materials consumed.....	11.96	2.44
(b) Power and Fuel	69.13	87.15
(c) Labour charges	36.88	24.04
(d) Rent.....	16.10	18.13
(e) Leave and licence fees [Refer Note 27(f)]	107.74	105.99
(f) Charges for Corporate Office service and facilities [Refer Note 27(f)].....	133.48	131.04
(g) Repairs:		
To Buildings	51.97	208.85
To Machinery	20.98	17.55
To Salt Works.....	42.29	30.43
To Others	19.17	11.54
	<u>134.41</u>	<u>268.37</u>
(h) Insurance	6.43	6.41
(i) Rates and Taxes	46.45	51.88
(j) Stationery, Printing, Advertisement, Postage and Telegrams etc.	64.70	94.04
(k) Donations.....	23.84	41.91
(l) Transport and Freight charges	16.26	12.84
(m) Legal and Professional fees [Refer Note 27(c)].....	101.45	80.71
(n) Consulting fees.....	91.39	54.86
(o) Sundry Debit Balances written off	136.32	—
(p) Loss on write-off of fixed Assets (net)	4.66	6.61
(q) Directors' Fees.....	15.85	14.76
(r) Travelling and Conveyance Expenses.....	171.86	227.22
(s) Security Charges	71.66	46.12
(t) Vehicle Expenses	58.23	54.19
(u) Temporary Manpower.....	52.92	30.61
(v) Royalty and Cess	—	7.14
(w) Salt Internal shifting expenses.....	50.93	27.20
(x) Salt Washing charges	0.97	1.09
(y) Provision for doubtful advances	18.84	—
(z) Miscellaneous Expenses.....	172.47	157.39
Total....	<u>1614.93</u>	<u>1552.14</u>

Note: Miscellaneous expenses include Fees, Subscription and General charges, etc.

Note 26:		
FINANCE COST		
Interest on borrowings	194.77	21.61
Total....	<u>194.77</u>	<u>21.61</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(a) Estimated amount of contract remaining to be executed on Capital Account and not provided for	—	1.67
(b) Contingent Liabilities in respect of:		
(1) Claims against the Standard Industries Limited Group not acknowledged as debts		
(a) ESIC Claims in respect of Contractor's workers	19.22	19.22
(b) Claims in respect of Labour matters	124.37	12.74
(c) Disputed rent (The Parent Company subsequent to the year end has deposited an amount of ₹ 1153.26 lakhs with the Hon'ble High Court pending final decision in the matter)	1364.17	1364.17
(d) Amount claimed by Taluka Development Officer towards Local Cess and Education Cess. (SSWL has contested this claim and has paid an amount of ₹ 5 lakhs under protest with High Court of Gujarat)	41.17	41.17
The above claims are pending before various authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested.		
(2) Excise Duty and Customs duty: Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested	553.77	553.77
(3) Guarantee given by Bank on behalf of Parent Company to Government authorities	105.23	105.23
(4) The Government of Maharashtra vide Notification Nos.ELD-2000/CR-1022(ii) NRG-1 dated April 1, 2000 and Nos.ELD-2001/CR-1069/ NRG-1 dated April 4, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. During the previous year, the Hon'ble High Court vide Order dated February 23, 2010 quashed and set aside the aforesaid Notification. Accordingly, the Company has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard	1375.74	1375.74
(5) Disputed demand of Income-tax:		
These represent demand raised by Income-tax Department on various matters for which disputes are pending before various Appellate authorities. SSWL is confident that all these cases can be successfully contested. The amounts paid under protest there against have been included in "Advance Payment of Tax"	6.31	6.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(c) Payment to Auditors:*		
(i) As Auditors	9.60	9.60
(ii) For Tax Audit	2.70	2.70
(iii) In respect of certification etc.	1.65	2.45
(iv) Taxation matters	14.55	36.20
(v) For expenses	0.21	0.13
(vi) Service tax	3.71	5.27
*(includes payments made to an affiliated firm/other auditors)		
	32.42	56.35
(d) The Group has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Note 7.		

(e) Segment information:

Information about primary business segments.

The Group's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading
- (iii) Manufacturing
- (iv) Others

	(₹ in lakhs)				
	Real Estate	Trading	Manufacturing	Others	Total
Revenue					
From External Customers.....	109.11	732.06	326.23	—	1167.40
	160.17	682.61	207.05	—	1049.83
Result					
Segment Result	(3.40)	3.78	(1292.82)	(0.62)	(1293.06)
	72.06	5.89	(521.24)	(0.42)	(443.71)
Finance Cost.....					194.77
					21.61
Unallocated Corporate Expenses					1531.50
					1606.43
Operating Loss					(3019.33)
					(2071.75)
Unallocated Income.....					866.28
					1030.30
Excess provision for Tax.....					96.76
					26.87
Loss after Tax.....					(2056.29)
					(1014.58)

STANDARD INDUSTRIES LTD.

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

(₹ in lakhs)

	Real Estate	Trading	Manufacturing	Others	Total
Other information					
Segment Assets	11666.20 <i>14574.90</i>	228.86 <i>278.78</i>	1564.12 <i>593.33</i>	1100.98 <i>1012.97</i>	14560.16 <i>16459.98</i>
Unallocated Corporate Assets					1693.77 <i>914.32</i>
Total Assets					16253.93 <i>17374.30</i>
Segment Liabilities.....	470.27 <i>1630.70</i>	32.60 <i>14.25</i>	3186.49 <i>592.97</i>	651.06 <i>603.33</i>	4340.42 <i>2841.25</i>
Unallocated Corporate Liabilities					1336.79 <i>1335.57</i>
Total Liabilities.....					5677.21 <i>4176.82</i>
Capital Expenditure	162.99 <i>1570.53</i>	0.14 <i>0.13</i>	2372.87 <i>559.28</i>	— <i>323.57</i>	2536.00 <i>2453.51</i>
Depreciation.....	93.67 <i>88.12</i>	0.74 <i>0.73</i>	1441.40 <i>575.26</i>	— —	1535.81 <i>664.11</i>

Notes:

- The Group does not have any reportable secondary segments.
- Figures shown in *italics* are for previous year.

(f) Related Party Disclosure:

(i) Related parties with whom transactions have taken place:

Name of the related party	Relationship
Shanudeep Private Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla (till August 1, 2011)	Key Management Personnel
Mr. D. H. Parekh (w.e.f. August 2, 2011)	Key Management Personnel

(ii) Details of Transactions with related parties:

(₹ in lakhs)

Nature of Transactions	Enterprises over which Key Management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Leave and Licence fees:			
Shanudeep Private Limited.....	107.74 <i>(105.99)</i>	— <i>(—)</i>	107.74 <i>(105.99)</i>
Corporate Office Service and Facilities:			
Shanudeep Private Limited.....	133.48 <i>(131.04)</i>	— <i>(—)</i>	133.48 <i>(131.04)</i>

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

(₹ in lakhs)

Nature of Transactions	Enterprises over which Key Management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Recovery of Common Expenses			
Shanudeep Pvt. Ltd.....	14.52 (11.25)	— (—)	14.52 (11.25)
Managerial Remuneration:			
Mr. K. J. Pardiwalla.....	— (—)	— (138.40)	— (138.40)
Mr. D. H. Parekh	— (—)	41.40 (23.85)	41.40 (23.85)
Directors Sitting Fees:			
Mr. Pradeep R. Mafatlal.....	— (—)	1.75 (1.92)	1.75 (1.92)
Mrs. Divya P. Mafatlal	— (—)	0.80 (1.00)	0.80 (1.00)

Notes:

- Figures shown in bracket pertains to previous year.
- There are no provisions for doubtful debts or written back during the year for debts due from or due to related parties.

Particulars	Year ended March 31, 2013 ₹ in lakhs	Year ended March 31, 2012 ₹ in lakhs
(g) Assets taken on operating lease: (Leave and Licence)		
(i) Future lease rentals in respect of Premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year	97.20	97.20
Amount due later than one year and not later than five years.....	134.30	231.50
Amount due later than five years	—	—
(ii) Amount of lease rentals in respect of operating leases recognised in the Statement of Profit and Loss is ₹ 97.20 lakhs (Previous year ₹ 97.20 lakhs)		
(h) Earnings per share is calculated as follows:		
(Loss) for the year available for equity shareholders (₹ in lakhs).....	(2,056.29)	(1,014.58)
Weighted average number of equity shares-Basic and Diluted (Nos.).....	64328941	64328941
Earnings per share (₹) – Basic and Diluted	(3.20)	(1.58)
Nominal value per share (₹).....	5.00	5.00

STANDARD INDUSTRIES LTD.

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

(i) Components of Deferred Tax Asset/(Liability)

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Difference in tax and book written down value of fixed assets.....	(373.97)	(130.26)
Business loss and unabsorbed depreciation.....	2211.16	927.89
Disallowances under the Income-tax Act, 1961.....	181.88	210.12
Deferred Tax Asset (Net)*	2019.07	1007.75

* The Net Deferred Tax Asset as at March 31, 2013 has not been accounted in view of the requirements of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".

(j) The Parent Company had entered into a Lease Agreement dated April 1, 1967 with Maharashtra Industrial Development Corporation (MIDC) for a term of 100 years, calculated from August 1, 1965, in respect of land admeasuring 92.25 acres located at Plot No.4, in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluke Thane, District Thane.

Out of the above, the Parent Company, in an earlier year, has transferred and assigned all its rights, title and interest in respect of land admeasuring 30 acres to a party for consideration.

The Parent Company has decided to develop the balance land admeasuring 62.25 acres commercially for which various proposals for development are under consideration. Consequently, the amount representing the net asset value (cost less accumulated amortization) of the said 62.25 acres aggregating to ₹ 2209.68 lakhs, being the lower of cost and fair value (as per valuation report), has been transferred from fixed assets to Property under Development in-line with the aforesaid new focus in the business of the Parent Company. The balance amount in the Revaluation Reserve pertaining to the aforesaid land has been accordingly adjusted in the previous year.

During the year, the Parent Company has entered into a Term Sheet with a party for development of the aforesaid balance Leasehold land on the following terms and conditions:

The Parent Company will receive:

- (i) Aggregate sum of ₹ 13000 lakhs spread over a period of five years; and
- (ii) 20% constructed IT space/area in the development

The Parent Company is in the process of entering into a Definitive Agreement for development of the aforesaid land and has received an advance of ₹ 1100 lakhs on this account.

However, the Board of Directors of the Parent Company, in their meeting held on October 19, 2012, have reviewed the progress of the said understanding with the said party on account of delays in reaching the final agreement for development. The Parent Company and the party mutually decided to terminate the aforesaid Term Sheet with effect from October 19, 2012. In pursuance thereto, the Parent Company refunded without interest, the advance of ₹ 1100 lakhs.

(k) Employees Retirement Benefits:

- (i) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" regarding the Company's gratuity plan are as follows:

Amount recognized in the Balance Sheet:

Particulars	As at March 31, 2013	As at March 31, 2012
Present Value of Funded Obligations.....	(119.67)	(86.52)
Fair Value of Plan Asset.....	92.05	86.82
Net (Liability)/Asset	(27.62)	0.30
Amounts in the Balance Sheet		
Liabilities.....	(27.62)	0.30
Assets.....	—	—
Net (Liability)/Assets	(27.62)	0.30

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

Expenses to be recognized in Statement of Profit and Loss:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Current Service Cost	4.21	3.15
Interest Cost.....	6.92	11.89
Expected Return on Plan Assets	(7.47)	(11.67)
Net Actuarial Loss/(Gain) recognized in year	24.26	33.17
Total included in "Employee Benefit Expense"	27.92	36.54

Reconciliation of Benefit Obligations and Plan Assets for the year:

Particulars	(₹ in lakhs)	
	As at March 31, 2013	As at March 31, 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	86.52	148.60
Current Service Cost	4.21	3.15
Interest Cost.....	6.92	11.89
Benefit Paid.....	(2.61)	(106.18)
Actuarial Loss/(Gain)	24.63	29.06
Closing Defined Benefit Obligation.....	119.67	86.52
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	86.82	145.89
Expected Return on Plan Assets	7.47	11.67
Contributions.....	—	39.56
Benefit paid.....	(2.61)	(106.18)
Actuarial Gain/(Loss) on Plan Assets	0.37	(4.12)
Closing Fair Value of Plan Assets	92.05	86.82
The major categories of plan assets as percentage of total plan assets:		
Fund is managed by Standard Industries Limited Employees' Gratuity Fund. Composition of the plan assets is as follows:		
In State Government Securities	17.27	23.48
In Public Sector Undertakings Bonds	8.58	11.67
In Fixed Deposit and Balance with Scheduled Banks.....	74.15	64.85

(ii) Assumptions:

	Year ended March 31, 2013	Year ended March 31, 2012
Discount Rate	8.00%	8.00%
Rate of Increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current	8.70%	8.60%

STANDARD INDUSTRIES LTD.

Note 27:

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

- (l) The Parent Company had received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended March 31, 2007, relating to its Chemical products, audited by a specified cost auditor. However, since the operations of the Chemical Plant of the Parent Company have been closed, the Parent Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.
- (m) "Other Current Liabilities" (Note 8) includes aggregating to ₹ **14.28 lakhs** (*Previous year ₹ 52.98 lakhs*) relating to the refund of Income-tax received by the Parent Company for various assessment years. However, the Parent Company has preferred appeals against the same which are pending with the Income-tax Authorities. Hence, the appropriate accounting treatment for the aforesaid will be given in the accounts on disposal of the said appeals.
- (n) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year.

SIGNATURES TO NOTES 1 TO 27

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

TANAZ B. PANTHAKI
Vice President (Legal) & Company Secretary

Mumbai, Dated: May 21, 2013

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

Mumbai, Dated: May 21, 2013

STANDARD INDUSTRIES LTD.

Regd. Office: Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710.

Date: 21st May, 2013

Dear Shareholder(s),

Sub: Payment of Dividend through National Electronic Clearing Service (NECS)

As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the National Electronic Clearing Service (NECS) of the Reserve Bank of India (RBI), at designated locations, for payment of dividend to shareholders holding shares in dematerialized form. This service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In this system, the investor's bank account is directly credited with the dividend amount.

Accordingly, if your bank account number has undergone a change pursuant to implementation of CBS, then:

(a) For shareholders holding shares in Dematerialized Form

Please inform details of your new bank account number to your Depository Participant (DP) and ensure that the same is duly updated in their records;

(b) For shareholders holding shares in Physical Form

If you have already opted from the company the NECS Mandate Facility (i.e. direct credit of dividend amount to your designated bank account) or the Bank Mandate Facility (i.e. where the details of your designated bank account are printed on the dividend warrant), please inform details of your new bank account number to the Company's Registrar & Share Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd., in the format mentioned overleaf.

If you have not yet opted for the NECS Mandate Facility, we urge you to avail of the same as this not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the DP/Registrar & Share Transfer Agent) and are communicated on or before 30th July, 2013, to facilitate receipt of dividend.

Please note that if your new Core Bank Account number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned.

Assuring you of our best services at all times.

Yours faithfully,
For Standard Industries Ltd.
TANAZ B. PANTHAKI
Vice President (Legal) & Company Secretary

P.T.O.

FORM

To,
M/s. Sharepro Services (India) Pvt. Ltd.,
(Unit : STANDARD INDUSTRIES LIMITED)
13 AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai-400072.

FORM FOR NECS MANDATE/BANK MANDATE

(Not required to be filled by Shareholders holding shares in dematerialised form)

I/We _____
do hereby authorize Standard Industries Limited to:

* Credit my dividend amount directly to my Bank Account as furnished below, by National Electronic Clearing Service (NECS) – NECS Mandate.

OR

* Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me – Bank Mandate.

(* Please strike out whichever is not applicable – Default option is NECS Mandate)

Folio No. _____

A.	Bank Name	
B.	Branch	
C.	Bank Address	
D.	Account Type (Savings/Current)	
E.	Account Number (Please mention the new Core Banking Account number that you have received from your Bank)	
F.	9 Digit Code number of the bank & branch as appearing on the MICR cheque (for NECS Mandate only) Please attach photocopy of the cheque/cancelled cheque	
G.	Telephone number (with STD Code) of shareholder	
H.	Email ID of Shareholder	

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all because of incomplete or incorrect information, I/We would not hold the Company/ the user Institution/ Bank responsible.

I/We undertake to inform any subsequent changes in the above particulars before the relevant Book Closure Date(s). I/We understand and agree that the above details shall be maintained by you till I/We hold the shares in physical mode under the captioned folio(s).

Signature of the Shareholder(s)
(As per specimen lodged with the Company)

Note :

1. Kindly note that NECS facility is currently available all over India.
2. For any clarifications, you may contact the Company's Share Transfer Agents, M/S. SHAREPRO SERVICES (INDIA) PVT. LTD., (Unit : STANDARD INDUSTRIES LIMITED), 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Tel : 022 67720300, Fax : 28591568. E-mail : sharepro@shareproservices.com

STANDARD INDUSTRIES LTD.

Regd. Office:

Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Millenium Business Park,
Navi Mumbai - 400 710.

GREEN INITIATIVE FORM

To,

M/s. Sharepro Services (India) Pvt. Ltd.
(Unit: Standard Industries Limited),
13 AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (E), Mumbai-400 072.

GREEN INITIATIVE FORM TO BE FILLED IN FOR SHARES HELD IN PHYSICAL MODE

Name: E-mail id:

Address:

Folio No. No. of Equity Shares held

Signature of Shareholder

STANDARD INDUSTRIES LTD.

ATTENDANCE SLIP

STANDARD INDUSTRIES LIMITED

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slips on request. (Code No. & Name of the Shareholder/Joint holders & address as given on the envelope in BLOCK LETTERS to be furnished below.)

I hereby record my presence at the One Hundred and Sixteenth Annual General Meeting of the Company at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614, to be held on Wednesday, the 14th August, 2013.

SIGNATURE OF THE
SHAREHOLDER OR PROXY

NOTES:

- (1) Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the entrance after affixing their signature on it.
- (2) Shareholders who come to attend the Meeting are requested to bring their copies of the Annual Report with them.



FORM OF PROXY

STANDARD INDUSTRIES LIMITED

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710.

Folio No. :

DP ID :

Client ID :

(Code No. & Name of the Shareholder/Joint holders & address as given on the envelope in BLOCK LETTERS to be furnished below.)

I/We _____

_____ of _____

being a member/members of STANDARD INDUSTRIES LIMITED hereby appoint _____

_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the One Hundred and Sixteenth Annual General Meeting of the Company to be held on Wednesday, the 14th August, 2013 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

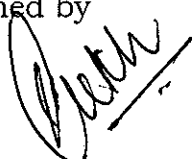
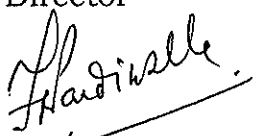

Signed by the said _____

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

Affix a
30 paise
Revenue
Stamp

FORM A

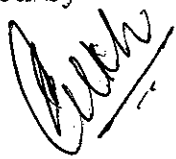
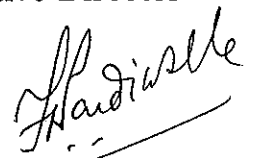
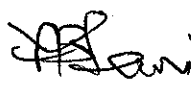
Format of covering letter of the annual audit report on annual consolidated financial statements to be filed with Stock Exchange

Sr. No.	Particulars	
1	Name of the Company	Standard Industries Limited
2	Annual Financial Statements for the year ended	March 31, 2013
3	Type of Audit Observation	Unqualified
4	Frequency of observation	Not Applicable
5	<p>To be Signed by</p>  <ul style="list-style-type: none"> • Shri. D. H. Parekh – Executive Director  <ul style="list-style-type: none"> • Shri. F. M. Pardiwalla – Audit Committee Chairman <p>MUMBAI DATE: May 21, 2013</p> <ul style="list-style-type: none"> • Auditor of the Company – <p>Refer our Audit Report dated May 21, 2013 on the Consolidated Financial Statements of the Company.</p> <p>For Deloitte Haskins & Sells Chartered Accountants (Firm Registration No. 117366W)</p>  <p>A B Jani (Partner) (Membership No. 46488)</p> <p>Mumbai Date: May 21, 2013</p>	

FORM A

Format of covering letter of the annual audit report on annual standalone financial statements to be filed with Stock Exchange

Sr. No.	Particulars	
1	Name of the Company	Standard Industries Limited
2	Annual Financial Statements for the year ended	March 31, 2013
3	Type of Audit Observation	<p>Emphasis of Matter</p> <p>The following is the comment appearing under the 'Emphasis of Matter' paragraph of the Auditors' Report:</p> <p>We draw attention to Note No 25(n) forming part of the Financial Statements, regarding recognition of revenue, in the previous year, of Rs.403.80 lakhs on transfer of Transferable Development Rights (TDR) on a piece of land owned by the Company on the basis of a Memorandum of Understanding entered into by the Company with one of its subsidiary, pending receipt of Development Rights Certificate (DRC), the title document for the TDR, by the Company and endorsement thereof in the name of the said Subsidiary. Our audit report on the financial statements for the year ended March 31, 2012 was modified accordingly. The Company is still in the process of obtaining the DRC and has during the year, further extended the MOU up to November 30, 2013, as detailed in the said note.</p> <p>Our opinion is not qualified in respect of this matter.</p>

4	Frequency of observation	Comment under the 'Emphasis of Matter' paragraph of the auditors' report has appeared for first time. The subject matter formed part of qualification in the audit report in the previous year.
5	<p>To be Signed by</p>  <ul style="list-style-type: none">• Shri. D. H. Parekh - Executive Director  <ul style="list-style-type: none">• Shri. F. M. Pardiwalla - Audit Committee Chairman <p>MUMBAI DATE: May 21, 2013</p> <ul style="list-style-type: none">• Auditor of the Company - <p>Refer our Audit Report dated May 21, 2013 on the standalone Financial Statements of the Company.</p> <p>For Deloitte Haskins & Sells Chartered Accountants (Firm Registration No. 117366W)</p>  <p>A B Jani (Partner) (Membership No. 46488)</p> <p>Mumbai Date: May 21, 2013</p>	