



STANDARD INDUSTRIES LTD.

117th ANNUAL REPORT 2013-2014

STANDARD INDUSTRIES LTD.

Registered Office:

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

Tel: 65162883/65162890 • Fax: 27780175 • E mail : standardgrievances@rediffmail.com

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

NOTICE

Notice is hereby given that the **ONE HUNDRED & SEVENTEENTH 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 Thursday, the 14th August, 2014, at 1.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Pradeep R. Mafatlal (holding DIN 00015361), who retires by rotation and is eligible for re-appointment.
4. 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 LLP, Chartered Accountants (ICAI firm Registration no. 117366W/W-100018), 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

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

AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Russi Jal Taraporevala (holding DIN 00019069), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of

Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

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

AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri M.L. Apte (holding DIN 00003656), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

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

AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri F.M. Pardiwalla (holding DIN 00228390), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

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

AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Shobhan Diwanji (holding DIN 01667803), a Non-Executive Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting AND THAT he shall not be liable to retire by rotation.

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

AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 200 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) and read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company in General Meeting hereby approves the re-appointment of Shri D.H. Parekh (holding DIN 00015734), as Executive Director of the Company for a period of 3 years from 2nd August, 2014, upon the terms of re-appointment including remuneration, commission and perquisites as set out in the draft Letter of Appointment to be issued to him placed before the Meeting and initialled by the Chairman for the purpose of identification, which Letter of Appointment is hereby specifically approved, with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) to alter and vary the said terms of re-appointment and remuneration in such manner as may be agreed to between the Board and Shri D.H. Parekh and within the limits as prescribed in Schedule V to the Companies Act,

2013 including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT during the tenure of Shri D.H. Parekh as the Executive Director, he shall be the Key Managerial Personnel (KMP) of the Company in terms of Section 203(1)(i) of the Companies Act, 2013.”

“RESOLVED FURTHER THAT where in any Financial Year during the currency of Shri D.H. Parekh’s tenure as Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and retirement benefits subject to the limits specified in Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, in force from time to time as minimum remuneration unless the approval of the Central Government has been sought for the purpose of payment of remuneration which is in excess of the limits specified in the said Schedule.”

“RESOLVED FURTHER THAT any revision in the remuneration payable to Shri D.H. Parekh shall be within the overall limits as approved by the members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the Board for its approval, from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution.”

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.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report.

- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 31st July, 2014, to Thursday, the 14th August, 2014, (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2014. Those Members whose names appear in the Register of Members of the Company as on 30th July, 2014, 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 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, 2014, 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) **Voting through Electronic Means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 117th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL) :

The instructions for e-voting are as under :

- A. In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)] :

- (i) Open email and open PDF file viz. "Standard Industries e-Voting.pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select “EVEN” of Standard Industries Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to silscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN
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 - (ii) Please follow all steps from Sl.No.(ii) to Sl.No.(xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on 7th August, 2014 (9.00 a.m.) and ends on 9th August, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of 7th July, 2014.
 - VII. Ms. Ratan Kapadia, Practicing Company Secretary (Membership No. FCS 1395) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, and submit it forthwith to the Chairman of the Company.
 - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.standardindustries.co and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited & NSE Limited.
- (e) 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 Friday, the 22nd August, 2014, 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.

- (f) The Company has already transferred on 13th November, 2013, the unclaimed dividends for the period October, 2005 to March, 2006, to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 30th September, 2007, 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
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
April, 2010 To March, 2011	04.08.2011	04.09.2018
April, 2011 To March, 2012	14.08.2012	14.09.2019
April, 2012 To March, 2013	14.08.2013	15.09.2020

Members who have so far not encashed the Dividend Warrants for the financial years ended September, 2007, 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.

- (g) Members holding shares in physical form are advised to avail of the nomination facility by filling the prescribed Form SH-13 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.

- (h) 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.
- (i) The draft letters of appointment of Shri D.H. Parekh, Executive Director & Shri Russi Jal Taraporevala, Shri M.L. Apte, Shri F.M. Pardiwalla & Shri Shobhan Diwanji, Independent Directors, are open for inspection of the Members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.
- (j) 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, 2015.

- (k) As part of the Green Initiative in Corporate Governance and as permitted by the Companies Act, 2013, listed companies are allowed to send notice and financial statements through electronic mode.

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

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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.

The Annual Report of the Company circulated to the members of the Company, is available on the Company's website, www.standardindustries.co

(I) 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. Born on March 18, 1965, Shri Pradeep R. Mafatlal comes from the illustrious House of Mafatlals. He has obtained Davar's Diploma in Commerce (D.D. Com.) and has also completed a Diploma course in Business Management.

He is the Chairman of Standard Industries Limited, Stanrose Mafatlal Investments & Finance Ltd., Shanudeep Private Limited, Mafatlal Enterprises Limited, Umiya Real Estate Private Limited, Umiya Balaji

Real Estate Private Limited and Mafatlal AG, Herisau. Further, he is a Director of Sheiladeep Investments Pvt. Ltd., Vinadeep Investments Pvt. Ltd. and HPA Sports Private Limited. He is a Member of the Stakeholders Relationship Committee of Standard Industries Limited and Stanrose Mafatlal Investments & Finance Ltd.

Shri Pradeep R. Mafatlal holds 13,555 Equity Shares of the Company.

2. Details in respect of Shri D.H. Parekh have been furnished at the appropriate place in the Explanatory Statement annexed to the Notice. These details are not given here so as to avoid repetition.

By Order of the Board

TANAZ B. PANTHAKI
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 : 13th May, 2014

ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 :

In conformity with the provisions of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Items Nos.5 to 9 contained in the accompanying Notice dated 13th May, 2014.

Item No. 5

Shri Russi Jal Taraporevala is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 1974.

Shri Russi Jal Taraporevala was born in September, 1932 and is an Economist and specialist in finance. He holds B.Com. degree from University of Bombay,

M.Sc. (Economics) degree from London School of Economics of the University of London and an M.B.A. degree from the University of California at Berkley. He possesses long and rich experience in Industry, Finance and Corporate Affairs.

Since 1955, Shri R.J. Taraporevala has been a Director of thirty large Public and two Private Companies. In addition, Shri R.J. Taraporevala has been a Director in the Sixties of The Central Bank of India Ltd. He was the Chairman of the Advisory Board in India of Citibank N.A. from 1975 to 1981.

He continues to be a Director of various Public and Private Limited Companies, viz. Standard Industries Limited, Stanrose Mafatlal Investments and Finance Limited and D.B. Taraporevala Sons & Co. Private Limited.

He is the Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee and Stakeholders Relationship Committee of Standard Industries Limited. He is also the Chairman of the Stakeholders Relationship Committee of Stanrose Mafatlal Investments and Finance Limited and Member of the Audit Committee of Stanrose Mafatlal Investments and Finance Limited.

Shri Russi Jal Taraporevala holds 2,600 Equity Shares of the Company.

It is proposed to appoint Shri Russi Jal Taraporevala as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri Russi Jal Taraporevala as a candidate for the office of Director of the Company.

The Company has also received a declaration from Shri Russi Jal Taraporevala, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub-section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Russi Jal Taraporevala fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Russi Jal Taraporevala as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Russi Jal Taraporevala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Russi Jal Taraporevala as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Russi Jal Taraporevala, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 6

Shri M.L. Apte is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March, 1985.

Shri M. L. Apte graduated in Arts from Elphinstone College, Mumbai. 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., Bombay Burmah Trading Corporation Ltd., Raja Bahadur International 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., Bombay Burmah Trading Corporation Ltd. and Standard Industries Limited; Share Transfer Committee of Zodiac Clothing Co. Ltd. and Bombay Burmah Trading Corporation Ltd.; Remuneration Committee of Bajaj Hindustan Ltd.; Nomination and Remuneration Committee of Standard Industries Limited and Grasim Industries Ltd. and Investor Grievance Committee of Bombay Burmah Trading Corporation Ltd.

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

It is proposed to appoint Shri M.L. Apte as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri M.L. Apte as a candidate for the office of Director of the Company.

The Company has also received a declaration from Shri M.L. Apte, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub-section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Shri M.L. Apte fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri M.L. Apte as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.

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The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri M.L. Apte as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri M.L. Apte as an Independent Director, for the approval by the shareholders of the Company.

Except Shri M.L. Apte, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No.7

Shri F.M. Pardiwalla is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2006.

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 Mafatnal Investment Finance Limited. He is the Chairman of Audit Committee of Standard Industries Limited and Stanrose Mafatnal Investment Finance Limited and a Member of Stakeholders Relationship Committee of Standard Industries Limited.

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

It is proposed to appoint Shri F.M. Pardiwalla as an Independent Director for five consecutive years from

the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri F.M. Pardiwalla as a candidate for the office of Director of the Company.

The Company has also received a declaration from Shri F.M. Pardiwalla, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub-section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Shri F.M. Pardiwalla fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri F.M. Pardiwalla as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri F.M. Pardiwalla as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri F.M. Pardiwalla as an Independent Director, for the approval by the shareholders of the Company.

Except Shri F.M. Pardiwalla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No.8

Shri Shobhan Diwanji is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2013.

Shri Shobhan Diwanji was born on 18th August, 1955. He holds Bachelor of Arts degree in Economics from University of Mumbai and MBA degree in finance from University of Rochester, NY, USA.

He has worked as a senior consultant in Tata Economic Consultancy Services, Mumbai, where he handled marketing & execution of assignments involving market surveys, techno-economic feasibility studies & applied macro-economic studies.

Shri Diwanji has also worked for Lazard India, Mumbai, in the capacity of Director, Capital Markets Group. He has vast experience of private/public placement of equity/debt securities, venture capital / private equity, structured financial products, offshore equity fund & equities/debt brokerage. He has also handled corporate banking advisory work in India for UBS and Credit Agricole.

Currently, Shri Diwanji is an independent advisor in the area of corporate strategy and corporate finance.

He is a Director of Standard Industries Ltd., Swan Energy Ltd. & EnPro AS, Norway. He is a member of Nomination & Remuneration Committee of Standard Industries Ltd. and also a member of Audit Committee & Remuneration Committee of Swan Energy Ltd.

Shri Shobhan Diwanji does not hold any shares of the Company.

It is proposed to appoint Shri Shobhan Diwanji as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Shri Shobhan Diwanji as a candidate for the office of Director of the Company.

The Company has also received a declaration from Shri Shobhan Diwanji, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub-section 6 of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Shobhan Diwanji fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Shobhan Diwanji as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Shobhan Diwanji as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Shobhan Diwanji as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Shobhan Diwanji, being an appointee, none of the Directors and Key Managerial Personnel

of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.9

Shri D.H. Parekh was appointed as Executive Director of the Company, for a period of 3 years with effect from 2nd August, 2011, on the terms and conditions approved by the Shareholders at the Annual General Meeting held on 4th August, 2011.

The appointment of Shri D.H. Parekh as Executive Director and Key Managerial Personnel (KMP) and his remuneration has been approved by the Nomination & Remuneration Committee of the Company at their Meeting held on 13th May, 2014. The Board of Directors has also at their meeting held on 13th May, 2014, re-appointed Shri D.H. Parekh as Executive Director for a further period of 3 years from 2nd August, 2014. As Executive Director and KMP of the Company, Shri D.H. Parekh will be in-charge of the management and affairs of the Company, subject to the superintendence and control of the Board of Directors (hereinafter referred to as 'the Board'). A copy of the draft Letter of Appointment referred to in the resolution would be available for inspection at the Registered Office of the Company during normal business hours on any working day, between 10.00 a.m. and 12.00 Noon except on Saturdays and Holidays. The terms of re-appointment and remuneration payable to Shri D.H. Parekh are set out below :

The terms of remuneration comprising salary, commission and perquisites to Shri D.H. Parekh are as under:

- (1) Salary of ₹ 1,75,000/- per month inclusive of dearness and all other allowances with the authority to the Nomination & Remuneration Committee of the Board to grant such increments from time to time as it may decide in its absolute discretion upto a salary of ₹ 3,00,000/- per month.
- (2) Commission as may be decided by the Nomination & Remuneration Committee subject to the overall ceiling laid-down in Section 197 read with Schedule V of the Companies Act, 2013. Such commission will be determined by the Board and be payable after the financial statements for the said financial year have been approved by the Board and adopted by the Members.

STANDARD INDUSTRIES LTD.

(3) Perquisites :

Perquisites such as furnished accommodation or house rent allowance, provision of gas, electricity, water and furnishings in respect of such accommodation, medical reimbursement for self and family, club fees (excluding admission and life membership fees), leave benefits, leave travel concessions for self and family, personal accident insurance and such other perquisites and on such terms and conditions as the Nomination & Remuneration Committee may in its absolute discretion determine from time to time.

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be treated as perquisite to the Executive Director.

The monetary value of perquisites will be determined in accordance with the relevant rules laid down in this regard under the Income-tax Act. In the absence of such rules, the monetary value of such perquisite shall be determined at cost.

(4) Retirement Benefits :

- (a) Company's contribution to Provident Fund & Superannuation Fund as per the Rules of the Company;
- (b) Gratuity as per the Rules of the Company including continuity of service for the time served in any other capacity other than Executive Director within the Company;
- (c) Leave & encashment of leave as per the Rules of the Company.

The retirement benefits in (a), (b) and (c) above shall not be included in the computation of ceiling on remuneration of Shri D.H. Parekh to the extent provided in Section IV of Schedule V to the Companies Act, 2013.

Notwithstanding anything contained hereinabove, where in any financial year during the currency of Shri D.H. Parekh's tenure as Executive Director, the Company has no profits or its profits are inadequate, he shall be paid remuneration by way of salary and perquisites referred to in (1) and (3) as also retirement benefits in (4) above, subject to the limits specified in Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, in force from time to time, as minimum remuneration.

A statement pursuant to clause (iv) of Section II of Part II of Schedule V of the Companies Act, 2013 is as follows :

I. General Information:

- (1) Nature of industry :
The Company has a Realty Business and deals in Textiles Trading.
- (2) Date or expected date of commencement of commercial production:
Not Applicable
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :
Not Applicable
- (4) Financial performance based on given indicators :

	2013/2014	2012/2013
	₹ in lakhs	₹ in lakhs
Turnover : Gross	846.90	732.06
Net	846.90	732.06
Profit Before Tax	(1143.53)	(610.44)
Profit After Tax	(1143.53)	(513.68)
Earning Per Share	(1.78)	(0.80)
Networth	11852.12	13560.12
Rate of dividend (Proposed)	15%	15%

- (5) Foreign investments or collaborations, if any :

There are no foreign investments or collaborations by the Company. 39.75% of the share capital of the Company is held by NRI/OCB and FIIs. There is no foreign collaboration.

II. Information about the appointee:

- (1) Background details :

Shri D.H. Parekh is a Chartered Accountant and has diversified experience in Financial Accounting, Taxation and Management.

He joined Standard Industries Limited in the year 1976. In 1998 he was promoted to the Post of Vice-President (Finance).

Shri D.H. Parekh is also a Director on the Board of Standard Salt Works Limited, Stan Plaza Limited, Umiya Real Estate Private Limited and Duville Estates Private Limited.

Shri D.H. Parekh does not hold any shares in the Company.

(2) Past remuneration :

During his previous tenure, the total remuneration to Shri D.H. Parekh including salary and perquisites was ₹ 3,22,574/- per month.

(3) Recognition or awards :

Refer Para (1) above, under section 'Information about the appointee'.

(4) Job profile and his suitability :

As an Executive Director & KMP of the Company, Shri D.H. Parekh will be responsible for the affairs of the Company under the supervision and control of the Board of Directors of the Company. His profile will include assisting Board in taking business and policy decisions. By qualification Shri D.H. Parekh is a Chartered Accountant and has diverse experience in Financial Accounting, Taxation and Management. He is associated with the Company for about 38 years holding various responsible positions in the Company. Having regard to his qualification and wide experience, it will be in the interest of the Company to appoint him as Executive Director & KMP of the Company.

(5) Remuneration proposed :

It is proposed to give a salary of ₹ 1,75,000/- per month inclusive of Dearness and all other Allowances plus car for Company's business, telephone at residence, contribution to Provident Fund, Superannuation Fund, Gratuity, Leave, Leave encashment as per the rules of the Company and commission, with a liberty to the Nomination & Remuneration Committee to increase, vary, alter the same from time to time.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with regard to the country of his origin):

The aforesaid proposed remuneration is commensurate with the size of the Company, profile of the position and person and compares favourably with the remuneration package in the industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Shri D.H. Parekh does not have any pecuniary relationship with the Company or any other key managerial personnel except to the extent of remuneration drawn by him.

III. Other information:

Reasons of loss or inadequate profits; Steps taken or proposed to be taken for improvement; Expected increase in productivity and profits in measurable terms;

As you are aware, the Company had suspended in-house production of its Textiles and Garments Divisions, in totality, in 2001 and closed its Chemicals Factory from 9th November, 2006.

The Company is now, *inter alia*, engaged in the real estate activities. The year under review still remains extremely challenging for real estate business. The real estate market for commercial property still remains sluggish. Under such critical circumstances, the Company could not utilize the balance portion of 62.25 acres of land for development of Information Technology Park, Commercial Offices, Hospitality Projects, Malls, Banking & Financial Services, etc. in a commercially viable manner. The Company is continuously in touch with various Real Estate Developers/Investors/Fund Managers, for development of its aforesaid prime property of 62.25 acres of land.

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 is exploring potential opportunities with various Real Estate Developers/Investors/Fund Managers, for development of its balance approx. 62.25 acres

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of land. The Company has since converted the balance approx. 62.25 acres of land into Current Asset, i.e. Stock-in-Trade.

With the above steps and the efforts and initiatives of Shri D.H. Parekh, as Executive Director & KMP, the Company has diversified its operations for improving its performance. The Company proposes to appropriately remunerate the Executive Director & KMP, for these efforts, role and responsibility.

Section 197 read with Schedule V to the Companies Act, 2013 specifies the ceiling [as percentage of the net profits] on the remuneration payable to its managerial personnel. In the event of remuneration payable to Shri D.H. Parekh during his tenure as Executive Director & KMP, exceeding the specified ceiling, he shall be paid the minimum remuneration as per the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013. Hence, the Special Resolution at Item No.9 of the accompanying Notice.

IV. Disclosures:

As Shri D.H. Parekh is re-appointed Executive Director with effect from 2nd August, 2014, his remuneration will be reflected in Corporate Governance for the next year.

The remuneration paid to Shri D.H. Parekh, Executive Director, during the Financial Year 2013-14, is as under :

(₹ in lakhs)

	Salary	Perquisites	Contributions	Total
Shri D.H. Parekh	26.23	5.06	7.42*	38.71

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

Shri D.H. Parekh will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof of the Company.

Shri D.H. Parekh shall not be liable to retire by rotation as long as he holds office of Executive Director & KMP.

Shri D.H. Parekh shall be entitled to Earned/ Privilege Leave on full pay and Allowances as per the Rules of the Company but not more than 1 month's leave for every 11 months' service.

Shri D.H. Parekh shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

Shri D.H. Parekh shall not enter into any buying or selling agency agreement with the Company, nor shall be or become interested or otherwise concerned directly or through his wife and/ or children in any buying or selling agency of the Company without the prior approval of the Central Government.

Shri D.H. Parekh's services are liable to be terminated by giving three months' notice from either side or by giving him three months' salary in lieu of notice.

Shri D.H. Parekh will not be granted any stock options.

The Board is of the opinion that having regard to his qualification, experience and dedication, the appointment of Shri D.H. Parekh as Executive Director & KMP, would be in the interest of the Company.

As per Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, appointment of Shri D.H. Parekh as Executive Director & KMP of the Company including the terms of his appointment are placed before the Members in General Meeting for their approval by Special Resolution.

Shri D.H. Parekh may be regarded as interested in the Resolution as the same concerns his appointment. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in this Resolution.

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 : 13th May, 2014

STANDARD INDUSTRIES LTD.

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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.

STANDROSE MAFATLAL

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
SHRI SHOBHAN DIWANJI
(*w.e.f. 30.10.2013*)

BANKERS

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

AUDITORS

MESSRS. DELOITTE HASKINS & SELLS LLP,
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

CIN : L17110MH1892PLC000089

WEBSITE : www.standardindustries.co
EMAIL : standardgrievances@rediffmail.com

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

	2003/ 2004	2004/ 2005	1-10-2005 to 31-3-2006 (6 mths.)	1-4-2006 to 30-9-2007 (18 mths.)
COMPANY OWNED:				
1. Fixed Assets (Net)	12766	12760	12800	1984
2. Investments	72	72	425	634
3. Net Current Assets	(533)	260	(238)	6542
4. Miscellaneous Expenditure	—	—	—	2296
Total Assets (Net)	12305	12572	12987	11456
COMPANY OWED:				
1. Loan funds	4046	1351	1149	—
2. Company's Net Worth:				
Equity Share Capital	3216	3216	3216	3216
Reserves and Surplus	5043	8005	8622	8240
Total Capital Employed	12305	12572	12987	11456
Debt/Equity Ratio#	0.35:1.00†	0.12:1.00†	0.08:1.00†	0.00:1.00†
Income	24071	23763	8325	12226
Raw Materials	2216	1584	670	—
Salaries and Wages	2069	1966	696	759
Operation and Other Expenses etc.	12198	11879	4446	9527
Interest	829	394	64	168
Excise duty	2531	3184	963	23
Profit before Depreciation and Taxes	4228	4756	1486	1749
Depreciation	3180	1047	527	1489
Profit before extra ordinary item and taxes	1048	3709	959	260
Taxes	(107)	(321)	(110)	(67)
Profit after Taxes	941	3388	849	193
Refund of Income-tax	—	—	—	—
Balance brought forward from Previous Year	1398	1861	4705	5325
Amount for Appropriation	2339*	5249*	5554*	5518*
Dividends	402	402	201	483
Tax on Dividends	52	57	28	82
Balance retained in business	1885	4790	5325	4953
Earnings per Equity Share ₹	1.46**	5.27**	1.32**	0.30**
Dividend paid per Equity Share ₹	0.625**	0.625**	0.3125**	0.75**

On Long term borrowings.

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

† Without Revaluation Reserve.

** On equity Shares of ₹ 5/-.

(₹ in lakhs)

1-10-2007 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	1-4-2013 to 31-3-2014
1870	3546	1371	2887	2878	2790
1443	6238	914	293	983	574
12629	6463	12938	11472	9713	8502
—	—	—	—	—	—
15942	16247	15223	14652	13574	11866
—	—	—	—	—	—
3216	3216	3216	3216	3216	3216
12726	13031	12007	11436	10358	8650
15942	16247	15223	14652	13574	11866
0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†
24683	3782	1834	2334	1762	1432
—	—	—	—	—	—
334	242	169	239	195	176
15680	2375	1828	2042	2083	2305
8	—	—	—	—	—
—	—	—	—	—	—
8661	1165	(163)	53	(516)	(1049)
132	106	133	89	95	95
8529	1059	(296)	(36)	(611)	(1144)
(3158)	(193)	—	—	—	—
5371	866	(296)	(36)	(611)	(1144)
—	7	19	26	97	—
4943	9022	9287	8449	7879	6801
10314*	9895*	9010*	8439*	7365*	5657*
643	482	482	482	482	482
109	80	78	78	82	82
9562	9333	8450	7879	6801	5093
8.35**	1.36**	(0.43)**	(0.02)**	(0.80)**	(1.78)**
1.00**	0.75**	0.75**	0.75**	0.75**	0.75**

STANDARD INDUSTRIES LTD.

DIRECTORS' REPORT

To

The Members,

Standard Industries Limited.

Your Directors hereby present the 117th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2014.

FINANCIAL RESULTS

	Current Year 01.04.2013 to 31.03.2014 (₹ in lakhs)	<i>Previous Year</i> <i>01.04.2012 to</i> <i>31.03.2013</i> <i>(₹ in lakhs)</i>
Gross Operating Profit before depreciation and tax.....	(1048.65)	(516.03)
Less: Depreciation.....	94.88	94.41
Profit before Taxes.....	(1,143.53)	(610.44)
Excess provision for taxes in respect of earlier years.....	—	96.76
Profit after Taxes.....	(1,143.53)	(513.68)
Balance brought forward from previous year.....	6,800.77	7,878.92
Amount available for Appropriation.....	5,657.24	7,365.24
APPROPRIATIONS:		
Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	82.00	82.00
Balance of Profit & Loss A/c. carried to Balance Sheet.....	5,092.77	6,800.77

Your Directors recommend the following dividend for the Financial Year 1st April, 2013 to 31st March, 2014, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 14th August, 2014, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 30th July, 2014.

	Current Year 01.04.2013 to 31.03.2014 ₹	<i>Previous Year</i> <i>01.04.2012 to</i> <i>31.03.2013</i> <i>₹</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 Thane-Belapur Road, Navi Mumbai, for a term of 100 years computed from 1.8.1965. The Company had transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), Singapore, an area of 30 acres located within the larger property of approx. 92.25 acres, for the remaining tenure of the lease with MIDC.

Efforts are on to assign/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 assignment/development so as to monetize the balance 62.25 acres of the Company's leasehold land at Navi Mumbai. Reflecting the trends of the overall economy, the year was not favourable for the growth of real estate sector. Delayed policy measures, slow-down in industrial production, persistently high interest rates and liquidity concerns have adversely impacted the investment climate in India.

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.

On 26th March, 2012, the Company had entered into a Memorandum of Understanding (MOU) with Stan Plaza Limited (SPL), a wholly owned subsidiary, whereby the Company agreed to transfer 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.

The validity of the said MOU dated 26th March, 2012, has been mutually extended from time to time. The Company has not been in a position to obtain the TDR and has conveyed its inability to obtain the Development Right Certificate (DRC) to the extent of 16,825 sq. ft. duly endorsed by the Municipal Corporation or other concerned authorities in favour of themselves or by endorsement on the original DRC in favour of SPL. The Company has therefore expressed its desire to cancel the said MOU dated 26th March, 2012. Accordingly, a Deed of Cancellation has been entered into with SPL on 18th March, 2014, cancelling the arrangement contained in the MOU dated 26th March, 2012. The Company has repaid to SPL the sum of ₹10,00,000/- received as earnest money under the aforesaid MOU.

TRADING DIVISION

For the Financial Year under review, i.e. April, 2013 to March, 2014, the Company has achieved a Textile Trading turnover of ₹ 847 lakhs in comparison with ₹ 732 lakhs for the previous Financial Year. Thus, the Company has achieved a growth of approx. 16% over the last Financial Year. This is mainly attributed to additional sales to garment industries and also addition of new products such as Ready-to-Stitch packaging in different product category such as Suiting/Shirting/Combo Pack etc.

The Company is planning this year also to add few more products such as Cotton Sarees/ Punjabi Suits (ready to stitch) etc. in addition to new range of Bed Sheets/Towels/Bath Mats, etc.

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, 2014. 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, 2014, 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, 2014, on a 'going concern' basis.

STANDARD INDUSTRIES LTD.

SUBSIDIARIES

The Ministry of Corporate Affairs vide its general Circular No.2/2011 dated 8th February, 2011, have granted 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, 2014, is included in the Annual Report.

DONATIONS

During the Financial Year, the Company has contributed a sum of ₹16.52 lakhs to various Charitable and Educational Institutions.

DIRECTORATE

The Board of Directors report with deep regret the sad demise of Shri V.C. Vaidya, Director of the Company, on 26th May, 2013. He had wide experience in legal, insurance and investment fields. He was associated with the Company as a Director for 33 years during which period the Company has immensely benefitted through his guidance.

The Chairman and the Board of Directors record their profound sorrow and grief on the sad demise of Shri V.C. Vaidya.

Shri Shobhan Diwanji has been appointed on 30th October, 2013 as a Director to fill the casual vacancy caused by the sad demise of Shri V.C. Vaidya.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri Russi Jal Taraporevala, Shri M.L. Apte, Shri F.M. Pardiwalla and Shri Shobhan Diwanji, as Independent Directors for 5 consecutive years from the conclusion of this Annual General Meeting. Details of the proposal for appointment of Shri Russi Jal Taraporevala, Shri M.L. Apte, Shri F.M. Pardiwalla and Shri Shobhan Diwanji, are mentioned in the Explanatory Statement attached to the Notice of the 117th Annual General Meeting.

Pursuant to Article 158 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri Pradeep R. Mafatlal is due to retire at the ensuing Annual General Meeting and is eligible for reappointment.

The appointment of Shri D.H. Parekh as an Executive Director which was for a period of 3 years from 2nd August, 2011 will expire on 1st August, 2014. Your Directors are seeking re-appointment of Shri D.H. Parekh as Executive Director with effect from 2nd August, 2014 for a period of 3 years subject to approval of the shareholders. The terms and conditions of his re-appointment are mentioned in the Explanatory Statement under Section 102(1) of the Companies Act, 2013.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 of the Companies Act, 2013.

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 139 of the Companies Act, 2013 the members are requested to appoint Auditors for the current year.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai
Dated : 13th May, 2014.

CORPORATE GOVERNANCE

INTRODUCTION

Company’s Philosophy on Corporate Governance

The Company believes in adopting the best practices in the areas of Corporate Governance and transparency in its dealings, laying emphasis on timely regulatory compliances.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders’ wealth and at the same time protect the interests of all its shareholders.

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	2	2 (1)
Shri V. C. Vaidya (expired on 26.05.2013)	Non-Executive & Independent	–	–
Shri M. L. Apte	Non-Executive & Independent	6	5
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	–
Shri. Shobhan Diwanji (appt w.e.f. 30.10.2013)	Non-Executive & Independent	2*	1

* 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	4	No
Shri Russi Jal Taraporevala	3	No
Shri V. C. Vaidya (expired on 26.05.2013)	–	–
Shri M. L. Apte	4	No
Shri F. M. Pardiwalla	4	Yes
Shri K. J. Pardiwalla	4	Yes
Smt. Divya P. Mafatlal	4	No
Shri D. H. Parekh, Executive Director	4	Yes
Shri Shobhan Diwanji (appt w.e.f. 30.10.2013)	2	NA

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

Four Board Meetings were held during the Financial Year from 1st April, 2013 to 31st March, 2014. The dates of such Board Meetings are 21.05.2013, 13.08.2013, 30.10.2013 and 07.02.2014.

II. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors of the Company comprises 3 Independent Non-Executive Directors:

Shri F. M. Pardiwalla	..	Chairman
Shri R. J. Taraporevala	..	Member
Shri M. L. Apte	..	Member
Shri V. C. Vaidya (expired on 26.05.2013)	..	–

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 the provisions of Section 177 of the Companies Act, 2013 read with the Companies

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(Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement and inter alia include the following:

- (a) 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;
- (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) Reviewing and examining, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (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.

During the Financial Year ended 31st March, 2014 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 M. L. Apte	4
Shri V. C. Vaidya (expired on 26.05.2013)	-

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee deals with matters relating to shareholders/ investors grievances and its redressal.

During the Financial Year ended 31st March, 2014, the aforesaid Committee met 4 times.

Members	Meetings attended
Shri K. J. Pardiwalla, Chairman	4
Shri R. J. Taraporevala	3
Shri P. R. Mafatlal	4
Shri F. M. Pardiwalla	4
Shri V. C. Vaidya (expired on 26.05.2013)	-

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

Number of Shareholders' : 1
Complaints received during
the financial year 1st April,
2013 to 31st March, 2014.

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

Number of pending share : Nil
Transfers/complaints

IV. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises three Non-Executive Directors, viz. Shri Russi Jal Taraporevala, Chairman, Shri M.L. Apte & Shri Shobhan Diwanji.

The terms of reference of the Nomination & Remuneration Committee are considering the matters relating to the Company's policies on remuneration packages to the Executive Director, 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 did not meet during the Financial Year from 1st April, 2013 to 31st March, 2014.

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 in the year 2011. 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	26.23	5.06	7.42*	38.71

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

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 179(3) of the Companies Act, 2013.

The Investment Committee comprises two Directors, viz. Shri Pradeep R. Mafatlal and Shri K. J. Pardiwalla. The Committee met four times during the Financial Year i.e. 21.05.2013, 13.08.2013, 30.10.2013 and 07.02.2014.

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 have adopted the Code of Conduct 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 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, 2014.

Names of the Directors	Remuneration paid during April, 2013 to March, 2014			No. of shares held as on 31.03.2014
	Sitting Fees ₹	Salary & Perks ₹	Total ₹	
Shri Pradeep R. Mafatlal, Chairman	1,60,000	-	1,60,000	13,555
Shri Russi Jal Taraporevala	1,80,000	-	1,80,000	2,600
Shri V. C. Vaidya (expired on 26.05.2013)	-	-	-	-
Shri M. L. Apte	1,60,000	-	1,60,000	2,300
Shri F. M. Pardiwalla	2,40,000	-	2,40,000	4,650
Shri K. J. Pardiwalla	1,60,000	-	1,60,000	-
Smt. Divya P. Mafatlal	80,000	-	80,000	-
Shri D. H. Parekh, Executive Director	-	38,70,890*	38,70,890*	-
Shri Shobhan Diwanji (appointed on 30.10.2013)	40,000	-	40,000	-
TOTAL	10,20,000	38,70,890	48,90,890	

* Includes the Company's contribution to Provident Fund, Superannuation Fund & 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
2012-2013	AGM	The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai-400 614.	14-08-2013 at 3.00 p.m.
2011-2012	AGM	---do---	14-08-2012 at 3.00 p.m.
2010-2011	AGM	---do---	04-08-2011 at 3.00 p.m.

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(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 relatives 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(e) 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 I D to clause 49 of the Listing Agreement with Stock Exchanges.

The Company has set up a Nomination & Remuneration Committee. Please refer to Para IV above on Nomination & 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, 2014
at 1.00 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, 2014.
for the Quarter ended
30th June, 2014.

Financial Reporting : Mid November, 2014.
for the Quarter ended
30th September, 2014.

Financial Reporting : Mid February, 2015.
for the Quarter ended
31st December, 2014.

Financial Reporting : End May, 2015.
for the Quarter ended
31st March, 2015.

Annual General Meeting for the year ending 31st March, 2015.
: August/September, 2015.

3. **Book Closure Date** : 31st July, 2014 to
14th August, 2014.
(both days inclusive).

4. **Dividend Payment Date** : On and from Friday,
the 22nd August, 2014.

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, 2015.

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, 2014:

No. of Equity Shares held	No. of Share-holders	No. of Shares held	% Share-holding
1 to 50	15,051	4,04,897	0.63
51 to 100	6,541	5,52,535	0.86
101 to 200	5,514	8,76,899	1.36
201 to 500	5,400	19,09,793	2.97
501 to 1000	2,173	17,64,745	2.74
1001 to 5000	1,819	43,08,510	6.70
5001 to 10000	311	22,73,969	3.54
10001 & above	284	5,22,37,593	81.20
TOTAL	37,093	6,43,28,941	100.00

13. Categories of Shareholding as on 31st March, 2014:

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	449	29,54,296	4.59
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	175	2,54,69,616	39.59
Resident Individuals	36,418	1,96,59,551	30.56
TOTAL	37,093	6,43,28,941	100.00

14. Dematerialisation of shares and liquidity:

57.58% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2014. 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
E-mail : standardgrievances@rediffmail.com

17. Green Initiative

As part of the Green Initiative in Corporate Governance and as permitted by the Companies Act, 2013, listed companies are allowed to send Notice and Financial Statements 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 2013	14.17	14.25	12.12	12.00	255628	60368	33.21	7.84
May 2013	13.82	13.70	12.53	12.15	176768	56637	23.09	7.34
June 2013	13.70	13.85	12.07	11.70	100742	45717	12.92	5.92
July 2013	13.51	13.35	11.50	11.20	130658	16127	16.13	1.99
Aug. 2013	11.55	11.55	9.60	10.15	60998	7334	6.32	0.79
Sept. 2013	12.60	11.55	10.26	11.00	38856	5708	4.39	0.66
Oct. 2013	11.95	11.15	10.35	10.00	86712	15275	9.80	1.66
Nov. 2013	12.02	11.65	10.24	10.15	88821	6657	9.96	0.73
Dec. 2013	12.89	10.65	10.12	9.60	122454	13883	13.84	1.45
Jan. 2014	13.85	13.75	11.67	10.65	115691	37109	15.10	4.86
Feb. 2014	13.00	13.35	10.23	10.35	94512	40181	11.14	5.06
March 2014	11.89	11.50	10.33	10.50	174208	71356	19.25	7.81

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, 2014.

Period	Share price	Sensex	Relative to Sensex
01.04.2013 to 31.03.2014	- 11.28%	+ 18.50%	- 29.78%

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2014.

Period	Share price	Nifty	Relative to Nifty
01.04.2013 to 31.03.2014	- 8.75%	+ 17.67%	- 26.42%

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2014

No. of Equity Shares held	No. of Shareholders	No. of Shares held
1 to 50.....	15,051	4,04,897
51 to 100.....	6,541	5,52,535
101 to 200.....	5,514	8,76,899
201 to 500.....	5,400	19,09,793
501 to 1000.....	2,173	17,64,745
1001 to 5000.....	1,819	43,08,510
5001 to 10000.....	311	22,73,969
10001 & above.....	284	5,22,37,593
Total.....	37,093	6,43,28,941

Total No. of Employees

15

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, 2014, 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 : 13th May, 2014.

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, 2014, 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. JANI
Partner
Membership No. 46488

Mumbai
Dated : May 13, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

REAL ESTATE DIVISION

The year under review still remains extremely challenging for the real estate business. The Company has leasehold land of an area of 92 acres and 10 gunthas (approx. 92.25 acres) at Thane-Belapur Road, Navi Mumbai, for a term of 100 years computed from 1.8.1965. The Company had transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), Singapore, an area of 30 acres located within the larger property of approx. 92.25 acres, for the remaining tenure of the lease with MIDC.

Efforts are on to assign/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 assignment/development so as to monetize the balance 62.25 acres of the Company's leasehold land at Navi Mumbai.

INDUSTRY OVERVIEW

Reflecting the trends of the overall economy, the year was not favourable for the growth of the Real Estate sector. During the year, the Real Estate industry got impacted in a major way, both from demand side and supply side factors. On demand side, income levels of people took a beating on account of continuous high degree of inflation, eating away on the savings and investment potential. On the other hand, non-availability of finance at reasonable rate, lack of quality infrastructure and uncertainty in legal and regulatory framework continued to plague the much needed supply side impetus for overall maturity of the industry.

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.

Delayed policy measures, slow-down in industrial production, persistently high interest rates and liquidity concerns have adversely impacted the investment climate in India.

The Company is making every possible effort to assign/develop 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.

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. With the State and National level policies of on-going reforms to provide sufficient impetus to infrastructure construction and Real Estate activity, there may be a boom for the Real Estate Industry in the long run.
5. Easy availability of I.T and Financial Professionals in Navi Mumbai.
6. Congestion and costly office/I.T. space in Mumbai attract people to Navi Mumbai.

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 leasehold 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. Changes in the policies of Government of India, Government of Maharashtra, Municipal Corporations and MMRDA related to environment, FSI and implementation of infrastructure projects and other matters can adversely impact the real estate scenario and hence our business and prospects.
2. Your Company expects the current economic and business environment to stay challenging over the next few quarters.

STANDARD INDUSTRIES LTD.

3. As the Company has leasehold land with MIDC, any drastic revision in transfer charges may be detrimental to the interest of the Company.
4. Liquidity problems coupled with recessionary trends in the market may lead to stagnation in development of commercial properties.

TRADING DIVISION

The Company has achieved a growth of approximately 16% over the last Financial Year. This is mainly attributed to additional sales to garment industries and also addition of new products such as ready-to-stitch packaging in different product category such as Suiting/Shirting/Combo Pack, etc. The Company is planning this year also to add few products such as Cotton Sarees/Punjabi Suits (ready-to-stitch) etc. in addition to new range of Bed sheets/Towels/Bath Mats, etc.

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, 2014, the employees' strength (on permanent roll) of the Company is 15.

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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) 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, 2014;

- (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(m) forming part of the Financial Statements, regarding reversal during the year in respect of sale of Transferable Development Rights (TDR) amounting to ₹ 403.80 lakhs, sold to one of its subsidiaries in an earlier year, consequent to the termination of the Memorandum of Understanding and execution of a deed of cancellation between the Company and the said subsidiary, for the reasons stated in the said Note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 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.
- As required by Section 227(3) of the Act, we report that:
 - 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;
 - 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;
 - 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;
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs);
 - On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

A. B. JANI
Partner
Membership No.:46488

Mumbai,
Dated: May 13, 2014

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. According to information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
- (a) As explained to us, 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 information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iv) According to information and explanations given to us, 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. There is no sale of services by the Company.
- (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 ₹ 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) According to the information and explanations given to us, 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 (o) 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, Sales Tax, Wealth Tax, Service 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, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 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, 2014 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Additional Income-tax demand/ Penalty	154.41	Various Year	Commissioner of Income-tax (Appeals)
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	Claims for Contractors' Workers	13.73	Various Year	Regional Director of Employees' State Insurance Corporation

- (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, *prima facie*, 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) According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year.
- (xx) 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.

- (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.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

A. B. JANI
Partner

Membership No.: 46488

Mumbai,
Dated: May 13, 2014

STANDARD INDUSTRIES LTD.

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	3216.45	3216.45
(b) Reserves and surplus	4	8649.23	10357.23
		11865.68	13573.68
2. Non-Current Liabilities			
(a) Long-term provisions	5	24.14	24.41
3. Current Liabilities			
(a) Trade payables.....	6	841.70	164.66
(b) Other current liabilities.....	7	403.56	416.46
(c) Short-term provisions.....	8	1227.64	1225.98
		2472.90	1807.10
Total.....		14362.72	15405.19
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	1698.74	1786.55
(ii) Capital work-in-progress.....	9	1090.89	1090.89
		2789.63	2877.44
(b) Non-current investments.....	10	208.93	183.93
(c) Long-term loans and advances.....	11	6716.06	2299.64
(d) Other non-current assets.....	12	482.83	233.52
		10197.45	5594.53
2. Current Assets			
(a) Current investments.....	13	364.75	799.43
(b) Inventories	14	62.61	94.84
(c) Property under development.....	15	2209.68	2209.68
(d) Trade receivables.....	16	881.83	524.29
(e) Cash and cash equivalents.....	17	421.71	2347.41
(f) Short-term loans and advances.....	18	217.43	3808.42
(g) Other current assets	19	7.26	26.59
		4165.27	9810.66
Total.....		14362.72	15405.19

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 13, 2014

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

Mumbai, Dated: May 13, 2014

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
S. I. DIWANJI
DIVYA P. MAFATLAL

D. H. PAREKH
Executive Director

} Directors

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	Year ended March 31, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
(I) INCOME			
(a) Revenue from operations.....	20	942.82	841.17
(b) Other income.....	21	488.78	920.68
Total.....		<u>1431.60</u>	<u>1761.85</u>
(II) EXPENSES			
(a) Purchase of traded goods.....		776.05	673.09
(b) Changes in Inventory of Stock-in-trade.....	22	29.02	9.79
(c) Employee benefits expenses.....	23	175.64	195.12
(d) Reversal of Sale of Transferable Development Rights [Refer Note 25(m)]		403.80	—
(e) Depreciation	9	94.88	94.41
(f) Other expenses	24	1095.74	1399.88
Total.....		<u>2575.13</u>	<u>2372.29</u>
(III) (LOSS) BEFORE TAXES (I-II)		(1143.53)	(610.44)
(IV) TAX EXPENSE			
(a) Current tax.....		—	—
(b) (Short)/Excess Provision for taxes in respect of earlier years		—	96.76
(V) (LOSS) FOR THE YEAR (III-IV(A)+IV(B))		(1143.53)	(513.68)
(VI) EARNINGS PER SHARE - BASIC AND DILUTED ₹		(1.78)	(0.80)
Nominal value per share ₹ [Refer Note 25(g)]		5.00	5.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 13, 2014

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

Mumbai, Dated: May 13, 2014

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
S. I. DIWANJI
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

STANDARD INDUSTRIES LTD.

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended March 31, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(i) (Loss) before Taxes	(1143.53)	(610.44)
Adjustments for:		
Depreciation	94.88	94.41
Sundry debit balances written off.....	0.35	136.32
(Profit) on sale/Loss on write off of fixed assets	(0.02)	4.66
Reversal of Sale of transferable development rights....	403.80	—
Provision for doubtful advances.....	—	18.84
Sundry credit balances written back.....	(1.89)	(0.06)
Excess provision for doubtful advances written back..	—	(174.39)
Provision for doubtful debts written back	(13.95)	—
Dividend on current Investments.....	(12.25)	(11.57)
Dividend on non-current Investments	(3.83)	(2.89)
Interest income on fixed deposits with banks	(105.91)	(400.54)
Interest income on inter corporate deposits.....	(71.58)	(246.13)
	289.60	(581.35)
(ii) Operating (Loss) before working capital changes	(853.93)	(1191.79)
Changes in working capital:		
(Increase) in trade and other receivables	(2033.78)	(67.81)
Decrease in inventories.....	32.23	6.58
Increase/(Decrease) in trade and other payables	668.08	(1042.56)
	(1333.47)	(1103.79)
Direct taxes paid (net).....	(47.97)	(90.12)
NET CASH FLOW (USED IN) OPERATING ACTIVITIES (A).....	(2235.37)	(2385.70)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(7.01)	(163.13)
Sale of fixed assets	0.06	1.57
Purchase of current investments	(905.32)	(1973.11)
Purchase of non-current investments.....	(25.00)	(0.05)
Sale of current investments.....	1340.00	1282.50
Unsecured loan given to Subsidiary Companies.....	(3319.96)	(1045.71)
Unsecured loan received back from Subsidiary Companies...	80.00	1126.27
Advances given to Subsidiary Companies.....	(1.51)	(3.01)
Advances received back from Subsidiary Companies	0.63	1.35
Dividend on current investments	12.25	11.57
Dividend on non-current investments.....	3.83	2.89
Interest income on fixed deposits with banks.....	125.24	438.18
Interest income on Inter corporate deposits	71.58	246.13
Inter corporate deposit received back/(given)	3500.00	(2200.00)
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)	874.79	(2274.55)

CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended March 31, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid	(483.12)	(476.64)
Corporate dividend tax paid.....	(82.00)	(78.27)
NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)	<u>(565.12)</u>	<u>(554.91)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C).....	(1925.70)	(5215.16)
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 2013/2012	<u>2347.41</u>	<u>7562.57</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2014/2013	<u>421.71</u>	<u>2347.41</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)..... **421.71** 2347.41
Less: Earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements' **35.52** 40.33
Cash and Cash equivalents at the end of the year **386.19** 2307.08
- 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 LLP
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 13, 2014

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

Mumbai, Dated: May 13, 2014

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
S. I. DIWANJI
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 diverse nature 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 further diversified into 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 (AS) 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.

(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(h)].

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) on '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, 2014 ₹ in Lakhs	<i>As at March 31, 2013 ₹ in Lakhs</i>
15,00,00,000 Equity Shares of ₹ 5/- each	7500.00	<i>7500.00</i>
	<u>7500.00</u>	<i><u>7500.00</u></i>
Issued, Subscribed and Paid-up		
6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up.....	3216.45	<i>3216.45</i>
Total.....	<u>3216.45</u>	<i><u>3216.45</u></i>

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, 2014		As at March 31, 2013	
	No. of Equity Shares held	% of Holding	No. of Equity 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, 2014		Year ended March 31, 2013	
	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	6,43,28,941	3216.45	6,43,28,941	3216.45
Fresh issue of Equity Shares	—	—	—	—
Equity Shares outstanding at the end of the year	6,43,28,941	3216.45	6,43,28,941	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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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	6800.77	7878.92
Less:(Loss) for the year	(1143.53)	(513.68)
	5657.24	7365.24
Less: Proposed Dividend on Equity Shares	482.47	482.47
Corporate Tax on Dividend	82.00	82.00
	564.47	564.47
Closing Balance	5092.77	6800.77
Total.....	8649.23	10357.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014 ₹ in Lakhs	<i>As at March 31, 2013 ₹ in Lakhs</i>
Note 5:		
Long Term Provisions		
Provision for employee benefits		
– For Compensated Absences	1.57	1.84
– For Gratuity [Refer Note 25(p)]	22.57	22.57
Total....	<u>24.14</u>	<u>24.41</u>
Note 6:		
Trade Payables		
(a) Total Outstanding dues of Micro, Small and Medium Enterprises [Refer Note 25(b)]	—	—
(b) Total Outstanding dues of other than Micro, Small and Medium Enterprises.....	841.70	164.66
Total....	<u>841.70</u>	<u>164.66</u>
Note 7:		
Other Current Liabilities		
(a) Unpaid Dividends [Due for transfer to Investor Education and Protection Fund of ₹ Nil (Previous year ₹ 4.46)]	35.52	36.17
(b) Other Payables		
(i) Statutory Liabilities	192.36	197.59
(ii) Payable on account of Fixed Assets.....	136.57	136.57
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received].....	14.85	17.02
(iv) Others [Refer Note 25(q)].....	24.26	29.11
Total....	<u>403.56</u>	<u>416.46</u>
Note 8:		
Short-term Provisions		
(a) Provision for employee benefits		
(i) For Gratuity [Refer Note 25(p)]	5.06	5.06
(ii) For Compensated Absences.....	26.84	25.18
(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	82.00
(iv) For Disputed Rent [Refer Note 11 and 25(a) (vii)].....	583.66	583.66
Total....	<u>1227.64</u>	<u>1225.98</u>

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, 2013	Additions	Deduction	As at March 31, 2014	Up to March 31, 2013	For the year	Deduction	Up to March 31, 2014	As at March 31, 2014
(I) Tangible Assets (Owned)									
(a) Freehold Land [Refer Note 25(m)]	24.42	—	—	24.42	—	—	—	—	24.42
(Previous Year).....	(24.42)	—	—	(24.42)	—	—	—	—	(24.42)
(b) Buildings	1467.26	2.20	—	1469.46	199.02	23.92	—	222.94	1246.52
(Previous Year).....	(1396.49)	(70.77)	—	(1467.26)	(175.63)	(23.39)	—	(199.02)	(1268.24)
(c) Plant and Equipment	187.21	1.91	0.67	188.45	101.66	9.66	0.63	110.69	77.76
(Previous Year).....	(179.99)	(7.28)	(0.06)	(187.21)	(92.39)	(9.33)	(0.06)	(101.66)	(85.55)
(d) Furniture and Fixtures	186.78	2.18	—	188.96	66.56	11.87	—	78.43	110.53
(Previous Year).....	(165.71)	(21.37)	(0.30)	(186.78)	(55.33)	(11.37)	(0.14)	(66.56)	(120.22)
(e) Office Equipments	61.23	0.82	—	62.05	18.46	3.03	—	21.49	40.56
(Previous Year).....	(62.28)	(6.55)	(7.60)	(61.23)	(18.65)	(3.01)	(3.20)	(18.46)	(42.77)
(f) Vehicles	501.77	—	—	501.77	256.42	46.40	—	302.82	198.95
(Previous Year).....	(508.18)	—	(6.41)	(501.77)	(213.85)	(47.31)	(4.74)	(256.42)	(245.35)
Total	2428.67	7.11	0.67	2435.11	642.12	94.88	0.63	736.37	1698.74
(Previous Year).....	(2337.07)	(105.97)	(14.37)	(2428.67)	(555.85)	(94.41)	(8.14)	(642.12)	(1786.55)
(II) Capital Work-In-Progress:									
(a) Assets under Construction									1090.89
(Previous Year)									(1090.89)
								Total	2789.63
								(Previous Year).....	(2877.44)

Note:

- (1) Buildings include ₹ 1202.15 lakhs (Previous year ₹ 1199.96 lakhs) being the cost of ownership flats. The Company holds 175 Shares (Previous year 175 Shares) of the aggregate face value of ₹ 0.09 lakh (Previous year ₹ 0.09 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, 2014	As at March 31, 2013
	₹ 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(n)]		
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
	70.78	70.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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 19009 (Previous year 18989) Equity Shares of face value of ₹ 10/- each	19.15	19.14
(c) Finolex Industries Limited 20000 Equity Shares of face value of ₹ 10/- each ...	11.44	11.44
(d) HDFC Bank Limited 8750 (Previous year 7500) Equity Shares of face value of ₹ 2/- each	44.05	35.55
(e) State Bank of India 2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
(f) HDFC Limited 2000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each	16.49	—
	129.46	104.46
(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.....	208.93	183.93
Note:		
	Cost ₹ in Lakhs	Market Value ₹ in Lakhs
Aggregate of quoted investments	129.46	182.92
Previous year	104.46	130.65
Aggregate of unquoted investments	79.47	
Previous year	79.47	
Total.....	208.93	
Previous year.....	183.93	

* The cost of these shares as on March 31, 2014 / March 31, 2013 is ₹ 1

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014	As at March 31, 2013
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Note 11:		
Long-Term Loans and Advances		
(Unsecured, considered good)		
(a) Capital Advances.....	—	0.10
(b) Security Deposits.....	23.44	23.32
(c) Loan to subsidiary companies [Refer Note 25(e), (l) and (n)]	4673.00	1494.13
(d) Advance Tax (Net of Provisions).....	415.59	367.62
(e) Amounts deposited against disputed rent [Refer Note 8 and 25(a)(vii)]	1153.26	—
(f) Other Loan and Advances		
(i) Balance with Government authorities (Includes deposit paid under protest to Excise authorities etc.).....	350.46	314.16
(ii) Advance to creditors:		
— Considered good	100.31	100.31
— Considered doubtful	109.88	109.88
Less: Provision	109.88	109.88
Total.....	<u>6716.06</u>	<u>2299.64</u>
Note 12:		
Other Non-Current Assets		
(Unsecured, considered good)		
(a) Interest accrued on unsecured loan to subsidiary [Refer Note 25(e) & (n)].....	377.60	128.29
(b) Fixed Deposits with banks-under lien	105.23	105.23
Total.....	<u>482.83</u>	<u>233.52</u>
Note 13:		
Current Investments		
(unquoted-at cost)		
Investments in Mutual Funds (Unquoted)		
(a) HDFC Cash Management Fund 106407.402 units (Previous year 4308405.664) of ₹ 10/- each.....	10.67	432.20
(b) Templeton India Cash Management 3474316.619 units (Previous year 579194.936) of ₹ 10/- each.....	347.73	57.94
(c) Birla Sun Life Cash Manager 6325.347 Units (Previous year 308928.827) of ₹ 100/- each	6.35	309.29
Total.....	<u>364.75</u>	<u>799.43</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Note 14:		
Inventories		
(at lower of cost and net realisable value)		
(a) Stock-in-trade (Traded Goods)	62.61	91.63
(b) Stock of Packing Material	—	3.21
Total.....	<u>62.61</u>	<u>94.84</u>

Note 15:		
Property under Development		
(at lower of cost and net realisable value)		
As per Last Balance Sheet.....	2209.68	2209.68
Total.....	<u>2209.68</u>	<u>2209.68</u>

Note 16:		
Trade Receivables		
(Unsecured)		
(a) Outstanding for a period exceeding six months from the date they were due for payment:		
— Considered good	325.68	444.94
— Considered doubtful	381.73	395.68
Less : Provision.....	<u>381.73</u>	395.68
	—	—
(b) Others (considered good).....	556.15	79.35
Total.....	<u>881.83</u>	<u>524.29</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014	As at March 31, 2013
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Note 17:		
Cash and Cash Equivalents		
(Refer note below)		
(a) Cash on hand.....	5.70	6.40
(b) Balance with Banks		
(i) In current accounts.....	144.69	179.66
(ii) In earmarked accounts.....	35.52	40.33
(iii) In deposits accounts.....	235.80	2121.02
	<u>416.01</u>	<u>2341.01</u>
Total.....	<u>421.71</u>	<u>2347.41</u>
Note:		
Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3	<u>386.19</u>	<u>2307.08</u>

Note 18:		
Short-Term Loans and Advances		
(Unsecured, considered good)		
(a) Loan to subsidiary company [Refer Note 25(e),(l) and (n)]	111.25	50.16
(b) Advances to subsidiary companies [Refer Note 25(e) and (l)]	3.41	2.54
(c) Prepaid expenses.....	12.13	16.39
(d) Inter Corporate Deposit.....	—	3500.00
(e) Other Short-term Advances		
(i) Advance to creditors.....	50.64	23.77
(ii) Others [Includes Income-tax refund receivable of ₹ 19.45 lakhs (Previous year ₹ 160.83 lakhs)].....	40.00	215.56
Total.....	<u>217.43</u>	<u>3808.42</u>

Note 19:		
Other current assets		
(Unsecured, considered good)		
Interest accrued but not due on bank deposits etc.	7.26	26.59
Total.....	<u>7.26</u>	<u>26.59</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended March 31, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
Note 20:		
Revenue from Operations		
(I) Sale of traded goods		
(a) Cloth	829.35	671.28
(b) Made-Ups	17.55	60.78
	<u>846.90</u>	<u>732.06</u>
(II) Other Operating Income		
(a) Royalty received.....	15.24	13.69
(b) Refund of regulatory liability charges.....	80.68	95.42
	<u>95.92</u>	<u>109.11</u>
Total.....	<u><u>942.82</u></u>	<u><u>841.17</u></u>
Note 21:		
Other Income		
(a) Interest Income		
On Fixed Deposits with Banks.....	105.91	400.54
On Inter-corporate deposit.....	71.58	246.13
On Loan to Subsidiary	277.02	58.69
On Income-tax Refund	—	24.22
On Others (security deposits etc.)	1.94	1.04
	<u>456.45</u>	<u>730.62</u>
(b) Dividend on non-current (long-term) investments	3.83	2.89
(c) Dividend on current investments	12.25	11.57
(d) Other Non-operating Income		
(i) Sundry Credit Balances written back.....	1.89	0.06
(ii) Profit on sale of Fixed Assets	0.02	—
(iii) Excess Provision for Doubtful Advances written back	—	174.39
(iv) Provision for Doubtful debts written back.....	13.95	—
(v) Miscellaneous Income	0.39	1.15
	<u>16.25</u>	<u>175.60</u>
Total.....	<u><u>488.78</u></u>	<u><u>920.68</u></u>
Note 22:		
Changes in Inventories of Stock in Trade		
(a) Inventories at the end of year	62.61	91.63
(b) Inventories at the beginning of year	91.63	101.42
Net Decrease.....	<u><u>29.02</u></u>	<u><u>9.79</u></u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Year ended March 31, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
Note 23:		
Employee benefit expenses		
(a) Salaries	133.96	125.51
(b) Contribution to Provident and other Funds.....	15.70	42.59
(c) Staff Welfare expense.....	25.98	27.02
Total.....	<u>175.64</u>	<u>195.12</u>
Note 24:		
Other expenses		
(a) Packing Material consumed.....	6.06	11.70
(b) Power and Fuel	39.85	38.99
(c) Rent.....	16.07	14.18
(d) Leave and Licence fees [Refer Note 25(f)]	107.74	107.74
(e) Charges for Corporate Office service and facilities [Refer Note 25(e)]	133.48	133.48
(f) Repairs:		
To Buildings	15.65	48.29
To Machinery	17.24	16.52
To Others	10.66	19.11
	<u>43.55</u>	<u>83.92</u>
(g) Insurance	5.34	6.43
(h) Rates and Taxes	116.00	38.34
(i) Stationery, Printing, Advertisement, Postage and Telegrams etc.	62.15	64.70
(j) Donations.....	16.52	23.84
(k) Legal and Professional fees [Refer Note 25(c)].....	135.67	98.63
(l) Consulting fees.....	52.06	91.39
(m) Sundry Debit Balances written Off	0.35	136.32
(n) Loss on write-off of Fixed Assets.....	—	4.66
(o) Directors' Fees.....	11.46	15.85
(p) Travelling and Conveyance Expenses.....	9.39	170.79
(q) Security Charges	77.97	71.66
(r) Vehicle Expenses	57.83	56.24
(s) Temporary Manpower.....	54.99	45.43
(t) Provision for Doubtful Advances	—	18.84
(u) Miscellaneous Expenses.....	149.26	166.75
Total.....	<u>1095.74</u>	<u>1399.88</u>

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014 ₹ in Lakhs	<i>As at March 31, 2013 ₹ in Lakhs</i>
Note 25:		
Additional information to the financial statements and disclosure under Accounting Standards		
(a) 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	<i>19.22</i>
2. Claims in respect of labour matters.....	124.37	<i>124.37</i>
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	<i>32.74</i>
(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	<i>553.77</i>
(iv) Guarantees given by Bank on behalf of Company to Government authority.....		
	105.23	<i>105.23</i>
(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	<i>1375.74</i>
(vi) Disputed demands of Income Tax		
These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested.		
	154.41	<i>—</i>
(vii) The Company had disputed the claim for rent,mesne profit and related interest claimed by the owner of the premises which were used by the Company in earlier years. On the application of the Company, the Hon'able High Court of Judicature at Bombay granted a stay against the unfavorable Order of the Small Causes Court and directed the Company to deposit an amount of ₹1153.26 lakhs pending resolution of the related Writ Petition filed by the Company, which the Company has deposited. Out of the above the Company has already provided for amounts aggregating ₹ 635.39 lakhs and the balance amount of ₹ 517.87 lakhs has not been provided as the Company is hopeful of succeeding in its Petition.....		
	1364.17	<i>1364.17</i>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Note 25:		
Additional information to the financial statements and disclosure under Accounting Standards (Contd.)		
(b) 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.		
(c) Payments to Auditors*:		
(i) As Auditors	9.75	9.00
(ii) For Tax Audit	2.50	2.50
(iii) In respect of certification, etc.	1.45	1.55
(iv) For Taxation matters.....	16.19	14.45
(v) For expenses.....	0.10	0.20
(vi) For service tax.....	3.71	3.59
	33.70	31.29

(* includes payment for taxation matters to an affiliated firm in view of the networking arrangement which is registered with the ICAI).

(d) Segment Information

Information about primary business segments.

The Company's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading

	Real Estate	Trading	(₹ in lakhs) Total
REVENUE.....	95.92 109.11	846.90 732.06	942.82 841.17
RESULT:			
Segment Result	(402.34) (3.40)	9.86 3.78	(392.48) 0.38
Unallocated Corporate Expenses			1239.83 1531.50
Operating Loss			(1632.31) (1531.12)
Unallocated Income.....			488.78 920.68
(Short)/Excess provision for tax.....			— 96.76
(Loss) after tax.....			(1143.53) (513.68)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

(d) Segment Information (Contd.)

	Real Estate	Trading	Total
			(₹ in lakhs)
OTHER INFORMATION:			
Segment Assets.....	7211.03	977.71	8188.74
	<i>12130.78</i>	<i>228.86</i>	<i>12359.64</i>
Unallocated Corporate Assets			6173.98
			<i>3045.55</i>
Total Assets.....			14362.72
			<i>15405.19</i>
Segment Liabilities.....	433.41	734.48	1167.89
	<i>470.27</i>	<i>32.60</i>	<i>502.87</i>
Unallocated Corporate Liabilities			1329.15
			<i>1328.64</i>
Total Liabilities.....			2497.04
			<i>1831.51</i>
Capital Expenditure	7.00	0.11	7.11
	<i>162.99</i>	<i>0.14</i>	<i>163.13</i>
Depreciation.....	94.12	0.76	94.88
	<i>93.67</i>	<i>0.74</i>	<i>94.41</i>

Note:

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

(e) 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. D. H. Parekh	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.)

(e) 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 (107.74)	— (—)	107.74 (107.74)
Corporate Office and Service facilities				
Shanudeep Private Limited	— (—)	133.48 (133.48)	— (—)	133.48 (133.48)
Payment of common expenses				
Shanudeep Private Limited	— (—)	82.86 (14.52)	— (—)	82.86 (14.52)
Interest on Unsecured Loan				
Standard Salt Works Limited	277.02 (58.69)	— (—)	— (—)	277.02 (58.69)
Unsecured Loan given				
Stan Plaza Limited.....	— (95.63)	— (—)	— (—)	— (95.63)
Standard Salt Works Limited	3319.96 (950.08)	— (—)	— (—)	3319.96 (950.08)
Unsecured Loan received back				
Stan Plaza Limited.....	— (55.37)	— (—)	— (—)	— (55.37)
Standard Salt Works Limited	80.00 (1070.90)	— (—)	— (—)	80.00 (1070.90)
Advances Given				
Stan Plaza Limited.....	0.85 (3.00)	— (—)	— (—)	0.85 (3.00)
Mafatlal Enterprises Limited	0.03 (0.01)	— (—)	— (—)	0.03 (0.01)
Advances Received Back				
Stan Plaza Limited.....	— (1.35)	— (—)	— (—)	— (1.35)
Reversal of Sale of TDR				
Stan Plaza Limited.....	403.80 (—)	— (—)	— (—)	403.80 (—)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

(e) 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 (including perquisites)				
Mr. D. H. Parekh	— (—)	— (—)	38.71 (41.40)	38.71 (41.40)
Directors' Sitting Fees				
Mr. Pradeep R. Mafatlal	— (—)	— (—)	1.60 (1.75)	1.60 (1.75)
Mrs. Divya P. Mafatlal.....	— (—)	— (—)	0.80 (0.80)	0.80 (0.80)
Outstanding balance as on March 31, 2014				
Standard Salt Works Limited				
Unsecured Loan	4072.62 (832.66)	— (—)	— (—)	4072.62 (832.66)
Interest accrued and not due.....	377.60 (128.29)	— (—)	— (—)	377.60 (128.29)
Stan Plaza Limited				
Unsecured Loan	711.63 (711.63)	— (—)	— (—)	711.63 (711.63)
Trade receivable	— (393.80)	— (—)	— (—)	— (393.80)
Other payables	10.00 (—)	— (—)	— (—)	10.00 (—)
Advances receivable.....	3.22 (2.37)	— (—)	— (—)	3.22 (2.37)
Mafatlal Enterprises Limited				
Advances receivable.....	0.19 (0.16)	— (—)	— (—)	0.19 (0.16)

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.

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, 2014 ₹ in Lakhs	Year ended March 31, 2013 ₹ in Lakhs
(f) 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.....	37.10	134.30
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)		
(g) Earnings per Share is calculated as follows:		
(Loss) for the year available for equity shareholders (₹ in lakhs)	(1143.53)	(513.68)
Weighted average number of Equity Shares-Basic and Diluted (Nos.).....	6,43,28,941	6,43,28,941
Earnings per share (₹) - Basic and Diluted	(1.78)	(0.80)
Nominal value per share (₹)	5.00	5.00
(h) Components of Deferred Tax Asset/(Liability)		
Difference in Tax and Book Written Down Value of fixed assets	(129.36)	(110.57)
Business Loss and Unabsorbed Depreciation.....	1508.56	1155.29
Disallowances under the Income-tax Act, 1961	170.19	177.36
Deferred Tax Asset (Net)*	1549.39	1222.08
* The Net Deferred Tax Asset as at March 31, 2014 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".		
(i) Expenditure in foreign currency (on accrual basis)		
(i) Travelling	1.25	43.70
(ii) Miscellaneous Expenses.....	1.86	5.14
Total.....	3.11	48.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

(j) Value of stores and spare-parts consumed

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	₹ in lakhs	% of total consumption	₹ in lakhs	% of total consumption
Imported	—	—	—	—
Indigenous (Packing materials).....	6.06	100.00	11.70	100.00
Total.....	<u>6.06</u>	<u>100.00</u>	<u>11.70</u>	<u>100.00</u>

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

Particulars	Year ended	₹ in lakhs
	March 31, 2014	Year ended March 31, 2013
Financial year to which dividend relates	2012-13	2011-12
Number of non-resident shareholders.....	3	3
Number of Equity Shares held by them on which dividend was due	2,50,00,087	2,50,00,087
Amount remitted in foreign currency on account of dividends (₹ in lakhs)	187.50	187.50

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

Particulars	As at	₹ in lakhs
	March 31, 2014	As at March 31, 2013
(i) Stan Plaza Limited	714.85	1107.80
Maximum amount outstanding	714.85	1154.55
(ii) Mafatlal Enterprises Limited	0.19	0.16
Maximum amount outstanding	0.19	0.16
(iii) Standard Salt Works Limited	4072.62	832.66
Maximum amount outstanding	4104.83	973.12

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).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

- (m) 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 earlier 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 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 validity of the said MOU was mutually extended from time to time, the latest extension is upto June 30, 2014.

However, in spite of the Company following-up on it's application for FSI under the DCR regulation, the Company was unable to obtain the DRC from the authorities. Due to the continuing uncertainty in the matter, the Company and SPL decided to terminate the MOU and accordingly, a deed of cancellation dated March 18, 2014 was executed by the Company and SPL. Consequently, the Company has reversed the sale of TDR aggregating to ₹ 403.80 lakhs in the Statement of Profit and Loss.

- (n) 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 ₹ 4072.62 lakhs as at the year-end to SSWL. Out of which loan of ₹ **3961.37 lakhs** (*Previous year ₹ 782.50 lakhs*) is interest bearing and loan of ₹ **111.25 lakhs** (*Previous year ₹ 50.16 lakhs*) is interest free. As per the latest available balance sheet of SSWL, as at March 31, 2014, 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.
- (o) 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

(p) 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, 2014	As at March 31, 2013
Present Value of Funded Obligations.....	(104.32)	(119.67)
Fair Value of Plan Asset	98.25	92.05
Net (Liability)	(6.07)	(27.62)
Amounts in the Balance Sheet		
Liabilities	(27.62)	(27.62)
Assets.....	—	—
Net (Liability)	(27.62)	(27.62)

Expenses to be recognized in Statement of Profit and Loss:

Particulars	Year ended	
	March 31, 2014	March 31, 2013
Current Service Cost	1.44	4.21
Interest Cost.....	9.57	6.92
Expected return on Plan Assets	(8.01)	(7.47)
Net Actuarial (Gain)/Loss recognized in year	(24.55)	24.26
Total included in “Employee Benefit Expense”	(21.55)	27.92

Reconciliation of Benefit Obligations and Plan Assets for the year:

Change in Defined Benefit Obligation

Opening Defined Benefit Obligation	119.67	86.52
Current Service Cost	1.44	4.21
Interest Cost	9.57	6.92
Benefit Paid	(6.08)	(2.61)
Actuarial (Gain)/Loss	(20.28)	24.63
Closing Defined Benefit Obligation	104.32	119.67

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.)

₹ in lakhs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	92.05	86.82
Expected Return on Plan Assets	8.01	7.47
Contributions.....	—	—
Benefit paid.....	(6.08)	(2.61)
Actuarial Gain on Plan Assets.....	4.27	0.37
Closing Fair Value of Plan Assets	98.25	92.05

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	21.85	17.27
In Public Sector Undertakings Bonds	10.86	8.58
In Fixed Deposit and Balance with Scheduled Banks.....	67.29	74.15

	Year ended March 31, 2014	Year ended March 31, 2013
(ii) Assumptions:		
Discount rate.....	9.03%	8.00%
Rate of increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current	8.70%	8.70%

(iii) Experience Adjustments

(₹ in lakhs)

Amounts for the current annual period and previous four annual periods	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined Benefit Obligation	104.32	119.67	86.52	148.60	148.90
Plan Assets	98.25	92.05	86.82	145.88	148.90
Surplus / (Deficit).....	(6.07)	(27.62)	0.30	(2.72)	—
Net Actuarial Losses / (Gains) Recognized in Year.....	(24.55)	24.26	33.18	(44.36)	42.43
Experience adjustments on plan liabilities Losses / (Gains)	(19.30)	24.63	29.06	(3.63)	34.71
Experience adjustments on plan assets Losses / (Gains)....	(4.27)	(0.37)	4.12	(40.33)	7.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 25:

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

- (q) "Other Current Liabilities" (Note 7) includes amount aggregating to ₹ **14.28 lakhs** (Previous year ₹ 14.28 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.
- (r) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year.

SIGNATURES TO NOTES 1 TO 25

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: May 13, 2014

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

Mumbai, Dated: May 13, 2014

For and on behalf of Board of Directors

P. R. MAFATLAL
Chairman

M. L. APTE
F. M. PARDIWALLA
K. J. PARDIWALLA
S. I. DIWANJI
DIVYA P. MAFATLAL

} Directors

D. H. PAREKH
Executive Director

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	(4,321.68)	(4.27)	(2.33)
c.	Total Assets	178.50	1,364.65	2.98
d.	Total Liabilities	4,485.92	1,363.92	0.31
e.	Details of Investments (except investment in subsidiaries)	0.54	259.22	—
f.	Turnover	332.25	—	—
g.	(Loss)/Profit before Taxation	(1,729.29)	(1.24)	(0.32)
h.	Provision for Taxation	—	—	—
i.	(Loss)/Profit after Taxation	(1,729.29)	(1.24)	(0.32)
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, 2014, 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 judgment, 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 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, 2014;
- (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 of three subsidiaries whose financial statements reflect total assets (net) of ₹ 1,546.13 lakhs as at March 31, 2014, total revenues of ₹ 334.16 lakhs and net cash flows amounting to ₹ 23.68 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 LLP
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

A. B. JANI
Partner
Membership No.: 46488

Mumbai
Dated: May 13, 2014

STANDARD INDUSTRIES LTD.

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	2	3216.45	3216.45
(b) Reserves and surplus	3	4325.21	7360.27
		7541.66	10576.72
(2) NON-CURRENT LIABILITIES			
(a) Long-term Borrowings	4	640.96	3580.96
(b) Other long-term liabilities.....	5	—	193.85
(c) Long-term provisions	6	24.14	24.41
		665.10	3799.22
(3) CURRENT LIABILITIES			
(a) Trade payables.....	7	854.91	189.87
(b) Other current liabilities.....	8	404.84	453.99
(c) Short-term provisions.....	9	1239.07	1234.13
		2498.82	1877.99
		10705.58	16253.93
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	10	2006.75	3456.39
(ii) Intangible assets	10	70.66	70.66
(iii) Capital work-in-progress.....	10	1090.89	1090.89
		3168.30	4617.94
(b) Goodwill on consolidation		50.77	50.77
(c) Non-current investments.....	11	397.37	372.37
(d) Long-term loans and advances.....	12	2831.93	1594.26
(e) Other non-current assets.....	13	105.23	105.23
		6553.60	6740.57
(2) CURRENT ASSETS			
(a) Current investments	14	365.29	799.97
(b) Inventories	15	107.34	216.96
(c) Property under development.....	16	2209.68	2209.68
(d) Trade receivables	17	893.03	135.46
(e) Cash and Cash Equivalents	18	463.96	2365.74
(f) Short-term loans and advances	19	104.87	3758.41
(g) Other current assets	20	7.81	27.14
		4151.98	9513.36
		10705.58	16253.93

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 LLP
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 13, 2014

Mumbai, Dated: May 13, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	Year ended March 31, 2014 ₹ in lakhs	Year ended March 31, 2013 ₹ in lakhs
(I) INCOME			
(a) Revenue from operations.....	21	1275.07	1167.40
(b) Other income.....	22	213.19	866.28
Total....		1488.26	2033.68
(II) EXPENSES			
(a) Purchase of Traded Goods.....		776.05	673.09
(b) Changes in Inventories of Stock-in-trade.....	23	106.41	(49.99)
(c) Employee benefits expense.....	24	201.38	218.12
(d) Depreciation	10	1461.25	1535.81
(e) Other expenses	25	1352.30	1614.93
(f) Finance Cost	26	61.46	194.77
Total....		3958.85	4186.73
(III) (LOSS) BEFORE TAXES (I - II)		(2470.59)	(2153.05)
(IV) TAX EXPENSE			
(a) Current Tax		—	—
(b) Excess provision for taxes in respect of earlier years.....		—	96.76
(V) (LOSS) FOR THE YEAR [III - IV(A) + IV(B)]		(2470.59)	(2056.29)
(VI) EARNINGS PER SHARE – BASIC AND DILUTED ₹		(3.84)	(3.20)
Nominal value per share ₹		5.00	5.00
[Refer Note 27(g)]			

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 LLP
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 13, 2014

Mumbai, Dated: May 13, 2014

STANDARD INDUSTRIES LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended March 31, 2014 ₹ in lakhs	Year ended March 31, 2013 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(LOSS) BEFORE TAXES.....	(2470.59)	(2153.05)
<u>Adjustments for:</u>		
Depreciation	1461.25	1535.81
Sundry Debit balances written off	0.35	136.32
Provision for doubtful advances	—	18.84
Interest on long-term Borrowings.....	61.46	194.77
(Profit) on sale/Loss on write off of fixed assets	(0.02)	4.66
Sundry Credit balances written back	(1.89)	(0.15)
Excess Provision for Doubtful Advances written back	—	(174.39)
Dividend on current Investments.....	(12.25)	(11.57)
Dividend on non-current Investments	(3.83)	(2.89)
Interest income on Fixed Deposits with Banks	(106.68)	(404.74)
Interest income on Inter Corporate Deposits	(71.58)	(246.13)
Excess provision of earlier years written back	(0.66)	—
Provision for doubtful debts written back	(13.95)	—
	<u>1312.20</u>	<u>1050.53</u>
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES	(1158.39)	(1102.52)
<u>Changes in working capital</u>		
(Increase) in Trade and other receivables	(1780.11)	(92.13)
Decrease/(Increase) in Inventories.....	109.62	(53.20)
Increase/(Decrease) in Trade and other payables	368.45	(1033.27)
	<u>(1302.04)</u>	<u>(1178.60)</u>
	(2460.43)	(2281.12)
Direct Taxes paid (net)	(48.09)	(90.54)
NET CASH FLOW (USED IN) OPERATING ACTIVITIES (A).....	(2508.52)	(2371.66)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets.....	(11.55)	(2527.44)
Purchase of current Investments	(905.32)	(1973.11)
Purchase of non-current Investments.....	(25.00)	(0.05)
Sale of current Investments	1340.00	1282.50
Sale of Fixed Assets.....	0.06	1.57
Dividend on current Investments	12.25	11.57
Dividend on non-current Investments.....	3.83	2.89
Interest income on Fixed Deposits with Banks.....	126.01	442.38
Interest income on Inter Corporate Deposits.....	71.58	246.13
Inter Corporate Deposit received back/(given)	3500.00	(2200.00)
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)	4111.86	(4713.56)

**CONSOLIDATED CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Year ended March 31, 2014 ₹ in lakhs	Year ended March 31, 2013 ₹ in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured Loan (repayment)/received to/from body corporates	(2940.00)	2427.76
Dividend Paid.....	(483.12)	(476.64)
Corporate Dividend Tax paid	(82.00)	(78.27)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES (C)	(3505.12)	1872.85
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C).....	(1901.78)	(5212.37)
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 2013/2012.	2365.74	7578.11
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2014/2013	463.96	2365.74

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) **463.96**
Less: Earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements' **35.52**
Cash and Cash equivalents at the end of the year **428.44**
- 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 LLP
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 13, 2014

Mumbai, Dated: May 13, 2014

STANDARD INDUSTRIES LTD.

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, 2014.
- 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, 2014	Proportion of Ownership Interest as at March 31, 2013
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.

(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(h)].

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, 2014	<i>As at March 31, 2013</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, 2014		As at March 31, 2013	
	No. of Equity Shares held	% of Holding	No. of Equity 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

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, 2014		Year ended March 31, 2013	
	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.....	6,43,28,941	3216.45	6,43,28,941	3216.45
Fresh issue of Equity Shares.....	—	—	—	—
Equity Shares outstanding at the end of the year	6,43,28,941	3216.45	6,43,28,941	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, 2014 ₹ in lakhs	As at March 31, 2013 ₹ 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.....	3799.67	6420.43
Less: (Loss) for the year.....	(2470.59)	(2056.29)
	1329.08	4364.14
Less: Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	82.00	82.00
	564.47	564.47
Closing Balance.....	764.61	3799.67
Total....	4325.21	7360.27

Note 4:

LONG-TERM BORROWINGS

(Unsecured, considered good)

Loan from body corporates.....	640.96	3580.96
Total....	640.96	3580.96

Notes:

- (i) Loan taken by Standard Salt Works Limited of ₹ Nil (Previous year ₹ 2930 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 ₹ Nil (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 ₹ 640.96 lakhs) from body corporate – Stanrose Mafatlal 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, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Note 5:		
OTHER LONG-TERM LIABILITIES		
Others:		
Interest accrued but not due on long-term borrowings	—	193.85
Total....	<u>—</u>	<u>193.85</u>
Note 6:		
LONG-TERM PROVISIONS		
Provision for employee benefits		
— For Compensated Absences	1.57	1.84
— For Gratuity [Refer Note 27(i)]	22.57	22.57
Total....	<u>24.14</u>	<u>24.41</u>
Note 7:		
TRADE PAYABLES		
(a) Total Outstanding dues of Micro, Small and Medium Enterprises [Refer Note 27(c)].....	—	—
(b) Total Outstanding dues of other than Micro, Small and Medium Enterprises.....	854.91	189.87
Total....	<u>854.91</u>	<u>189.87</u>
Note 8:		
OTHER CURRENT LIABILITIES		
(a) Unpaid Dividends (Due for transfer to Investor Education and Protection Fund of ₹ Nil (Previous year ₹ 4.46 lakhs).....	35.52	36.17
(b) Other Payable:		
(i) Statutory Liabilities	192.58	228.46
(ii) Payable on Purchase of Fixed Assets.....	136.57	136.57
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received]	21.49	19.39
(iv) Others [Refer Note 27(k)]	18.68	33.40
Total....	<u>404.84</u>	<u>453.99</u>
Note 9:		
SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) For Gratuity [Refer Note 27(i)].....	16.48	13.21
(ii) For Compensated Absences.....	26.85	25.18
(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	82.00
(iv) For Disputed Rent [Refer Note 12 and 27(a)(6)].....	583.66	583.66
Total....	<u>1239.07</u>	<u>1234.13</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, 2013	Additions	Deduction	As at March 31, 2014	Upto March 31, 2013	For the Year	Deduction	Upto March 31, 2014	As at March 31, 2014
(I) Tangible Assets:									
(a) Land.....	278.73	—	—	278.73	—	—	—	—	278.73
(Previous Year).....	(278.73)	—	—	(278.73)	—	—	—	—	(278.73)
(b) Buildings.....	1489.54	2.20	—	1491.74	210.14	24.34	—	234.48	1257.26
(Previous Year).....	(1418.77)	(70.77)	—	(1489.54)	(186.33)	(23.81)	—	(210.14)	(1279.40)
(c) Plant and Equipment.....	242.36	6.20	0.67	247.89	128.42	11.48	0.63	139.27	108.62
(Previous Year).....	(233.25)	(9.17)	(0.06)	(242.36)	(117.18)	(11.30)	(0.06)	(128.42)	(113.94)
(d) Furniture and Fixtures.....	187.32	2.18	—	189.50	66.91	11.88	—	78.79	110.71
(Previous Year).....	(166.25)	(21.37)	(0.30)	(187.32)	(55.67)	(11.38)	(0.14)	(66.91)	(120.41)
(e) Office Equipments.....	61.31	1.07	—	62.38	18.47	3.04	—	21.51	40.87
(Previous Year).....	(62.36)	(6.55)	(7.60)	(61.31)	(18.66)	(3.01)	(3.20)	(18.47)	(42.84)
(f) Vehicles.....	520.12	—	—	520.12	261.43	48.14	—	309.57	210.55
(Previous Year).....	(517.56)	(8.97)	(6.41)	(520.12)	(217.84)	(48.33)	(4.74)	(261.43)	(258.69)
(g) Salt Works-Reservoirs, Salt Pans.....	3791.24	—	—	3791.24	2428.86	1362.37	—	3791.23	0.01
(Previous Year).....	(1429.24)	(2362.00)	—	(3791.24)	(990.88)	(1437.98)	—	(2428.86)	(1362.38)
Total....	6570.62	11.65	0.67	6581.60	3114.23	1461.25	0.63	4574.85	2006.75
(Previous Year).....	(4106.16)	(2478.83)	(14.37)	(6570.62)	(1586.56)	(1535.81)	(8.14)	(3114.23)	(3456.39)
(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).....									(1090.89)
Total....									3168.30
(Previous Year).....									(4617.94)

Notes:

- Buildings include ₹ 1202.15 lakhs (Previous year ₹ 1199.96 lakhs) being the original cost of ownership flats. The Parent Company holds 175 shares (Previous year 175 shares) of the aggregate face value of ₹ 0.09 lakh (Previous year ₹ 0.09 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 previous year include costs incurred for levelling, compacting, excavating, developing of Salt fields and roads, etc.

As at March 31, 2014	As at March 31, 2013
₹ 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. 19009 (Previous year 18989) Equity Shares of face value of ₹ 10/- each	19.15	19.14
(c) Finolex Industries Ltd. 20000 Equity Shares of face value of ₹ 10/- each ...	11.44	11.44
(d) HDFC Bank Limited 8750 (Previous year 7500) Equity Shares of face value of ₹ 2/- each	44.05	35.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
(e) HDFC Limited 2000 (Previous year Nil) Equity Shares of ₹ 2/- each	16.49	—
(f) State Bank of India 2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
	129.46	104.46
(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....	397.37	372.37

Note:

	Cost ₹ in lakhs	Market value ₹ in lakhs
Aggregate of quoted investments.....	129.46	182.92
Previous year.....	104.46	130.65
Aggregate of unquoted investments	267.91	
Previous year.....	267.91	
Total....	397.37	
Previous year....	372.37	

* The cost of these shares as on March 31, 2014 / March 31, 2013 is Re.1

Note 12:

LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

(a) Capital Advances.....	—	0.10
(b) Security Deposits.....	23.44	30.72
(c) Advance Tax (Net of Provisions).....	428.52	380.43
(d) Amounts deposited against disputed rent [Refer Note 9 and 27(a)(6)].....	1153.26	—
(e) Other Loans and Advances		
(i) Balance with Government authorities	357.86	314.16
(includes deposit paid under protest to Excise authorities, etc.)		
(ii) Loan to body corporate	768.54	768.54
(iii) Advances to Creditors		
— Considered good	100.31	100.31
— Considered doubtful.....	109.88	109.88
Less: Provision.....	109.88	109.88
Total....	2831.93	1594.26

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ 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		
106407.402 units (Previous year 4308405.664) of ₹ 10/- each	10.67	432.20
(b) Templeton India Cash Management		
3474316.619 units (Previous year 579194.936) of ₹ 10/- each	347.73	57.94
(c) Birla Sun Life Cash Manager		
6325.347 units (Previous year 308928.827) of ₹ 100/- each	6.35	309.29
(II) Investments in Government Securities		
In National Savings Certificate.....	0.54	0.54
Total....	<u>365.29</u>	<u>799.97</u>
Note 15:		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Stock-in-trade (Including Traded goods).....	70.49	178.54
(b) Stock-in-process.....	36.85	35.21
(c) Stock of packing materials	—	3.21
Total....	<u>107.34</u>	<u>216.96</u>
Note 16:		
PROPERTY UNDER DEVELOPMENT		
(at lower of cost and net realisable value)		
As per last Balance Sheet.....	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, 2014 ₹ in lakhs	As at March 31, 2013 ₹ 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.....	330.60	55.23
— Considered doubtful.....	381.73	395.68
Less: Provision.....	381.73	395.68
	—	—
(b) Others (considered good).....	562.43	80.23
Total....	893.03	135.46
Note 18:		
CASH AND CASH EQUIVALENTS		
(Refer note below)		
(a) Cash on hand.....	5.77	6.79
(b) Balance with Banks:		
(i) In current accounts.....	186.87	197.60
(ii) In earmarked accounts.....	35.52	40.33
(iii) In deposits accounts.....	235.80	2121.02
	458.19	2358.95
Total....	463.96	2365.74
Note:		
Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3	428.44	2325.41
Note 19:		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Security deposits.....	1.01	0.01
(b) Prepaid expenses.....	12.36	16.76
(c) Loan to employees.....	0.61	1.45
(d) Inter-Corporate Deposit.....	—	3500.00
(e) Other Short-Term Advances		
(i) Advance to Creditors.....	50.82	24.48
(ii) Others [Includes Income-tax refund receivable of ₹ 19.45 lakhs (Previous year ₹ 160.83 lakhs)]	40.07	215.71
Total....	104.87	3758.41
Note 20:		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Accruals		
(i) Interest accrued but not due on bank deposits etc.....	7.26	26.59
(ii) Interest accrued and due on Government Securities.....	0.55	0.55
Total....	7.81	27.14

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2014 ₹ in lakhs	Year ended March 31, 2013 ₹ in lakhs
Note 21:		
REVENUE FROM OPERATIONS		
(I) Sale of products		
(a) Traded goods		
(i) Cloth	829.35	671.28
(ii) Made-Ups	17.55	60.78
(b) Manufactured goods		
(i) Industrial Salt	310.25	320.37
(ii) Gypsum Salt	20.57	4.57
	<u>1177.72</u>	<u>1057.00</u>
(II) Other Operating Income		
(a) Royalty received	15.24	13.69
(b) Refund of regulatory liability charges	80.68	95.42
(c) Income from weigh bridge	1.43	1.29
	<u>97.35</u>	<u>110.40</u>
Total....	<u>1275.07</u>	<u>1167.40</u>
Note 22:		
OTHER INCOME		
(a) Interest Income		
On Fixed Deposits with Banks	106.68	404.74
On Inter-corporate deposit	71.58	246.13
On Income-tax refund	—	24.22
On Others (Security Deposits, etc.)	1.94	1.04
	<u>180.20</u>	<u>676.13</u>
(b) Dividend on non-current (long-term) investments	3.83	2.89
(c) Dividend on current investments	12.25	11.57
(d) Other Non-operating Income		
(i) Sundry credit balances written back	1.89	0.15
(ii) Excess provision for Doubtful Advances written back	—	174.39
(iii) Provision for doubtful debts written back	13.95	—
(iv) Profit on sale of Fixed Assets	0.02	—
(v) Excess provision of earlier years written back	0.66	—
(vi) Miscellaneous Income	0.39	1.15
	<u>16.91</u>	<u>175.69</u>
Total....	<u>213.19</u>	<u>866.28</u>
Note 23:		
CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
(a) Inventories at the end of the year		
Finished Goods	70.49	178.54
Process Stock	36.85	35.21
	<u>107.34</u>	<u>213.75</u>
(b) Inventories at the beginning of the year		
Finished Goods	178.54	133.09
Process Stock	35.21	30.67
	<u>213.75</u>	<u>163.76</u>
Net Decrease/(Increase)	<u>106.41</u>	<u>(49.99)</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended March 31, 2014	Year ended March 31, 2013
	₹ in lakhs	₹ in lakhs
Note 24:		
EMPLOYEE BENEFITS EXPENSE		
(a) Salaries	156.56	143.10
(b) Contribution to Provident and other Funds.....	17.54	44.00
(c) Staff Welfare.....	27.28	31.02
Total....	<u>201.38</u>	<u>218.12</u>

Note 25:

OTHER EXPENSES

(a) Packing materials consumed.....	6.06	11.96
(b) Power and Fuel	79.51	69.13
(c) Labour charges	36.01	36.88
(d) Rent.....	19.92	16.10
(e) Leave and licence fees [Refer Note 27(e)]	107.74	107.74
(f) Charges for Corporate Office service and facilities [Refer Note 27(e)].....	133.48	133.48
(g) Repairs:		
To Buildings	19.02	51.97
To Machinery	20.60	20.98
To Salt Works.....	46.89	42.29
To Others	10.67	19.17
	97.18	134.41
(h) Insurance	5.34	6.43
(i) Rates and Taxes	124.29	46.45
(j) Stationery, Printing, Advertisement, Postage and Telegrams etc.	62.43	64.70
(k) Donations.....	16.52	23.84
(l) Transport and Freight charges	27.03	16.26
(m) Legal and Professional fees [Refer Note 27(b)]	138.29	101.45
(n) Consulting Fees.....	52.16	91.39
(o) Sundry Debit Balances written off	0.35	136.32
(p) Loss on write-off of Fixed Assets.....	—	4.66
(q) Directors' Fees.....	11.46	15.85
(r) Travelling and Conveyance Expenses.....	11.39	171.86
(s) Security Charges	77.97	71.66
(t) Vehicle Expenses	59.96	58.23
(u) Temporary Manpower.....	63.20	52.92
(v) Salt Internal shifting expenses	66.84	50.93
(w) Salt Washing charges	1.14	0.97
(x) Provision for doubtful advances	—	18.84
(y) Miscellaneous Expenses.....	154.03	172.47
Total....	<u>1352.30</u>	<u>1614.93</u>

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

Note 26:

FINANCE COST

Interest on borrowings	61.46	194.77
Total....	<u>61.46</u>	<u>194.77</u>

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, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(a) 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	124.37
(c) 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/court. The Standard Industries Limited Group is confident that the cases will be successfully contested.		
(2) 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 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 authority.	105.23	105.23
(4) 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 ₹1,375.74 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 Standard Industries Limited Group is confident of success in this SLP when heard.	1375.74	1375.74
(5) Disputed demands of Income-tax: These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Standard Industries Limited Group is confident that all these cases can be successfully contested.	160.72	6.31
(6) The Parent Company had disputed the claim for rent,mesne profit and related interest claimed by the owner of the premises which were used by the Parent Company in earlier years. On the application of the Parent Company, the Hon'able High Court of Judicature at Bombay granted a stay against the unfavorable Order of the Small Causes Court and directed the Parent Company to deposit an amount of ₹1153.26 lakhs pending resolution of the related Writ Petition filed by the Parent Company, which the Parent Company has deposited. Out of the above the Parent Company has already provided for amounts aggregating ₹ 635.39 lakhs and the balance amount of ₹ 517.87 lakhs has not been provided as the Parent Company is hopeful of succeeding in its Petition.	1364.17	1364.17

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, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(b) Payment to Auditors:*		
(i) As Auditors	10.45	9.60
(ii) For Tax Audit	2.70	2.70
(iii) In respect of certification etc.	1.55	1.65
(iv) Taxation matters	16.19	14.55
(v) For expenses	0.42	0.21
(vi) Service tax	3.84	3.71
*(includes payment for taxation matters to an affiliated firm in view of the networking arrangement which is registered with the ICAI/other auditors).		
	35.15	32.42
(c) 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.		

(d) 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.....	95.92 109.11	846.90 732.06	332.25 326.23	— —	1275.07 1167.40
Result					
Segment Result	1.46 (3.40)	9.86 3.78	(1393.06) (1292.82)	(0.75) (0.62)	(1382.49) (1293.06)
Finance Cost.....					61.46 194.77
Unallocated Corporate Expenses					1239.83 1531.50
Operating Loss					(2683.78) (3019.33)
Unallocated Income.....					213.19 866.28
Excess provision for Tax.....					— 96.76
Loss after Tax.....					(2470.59) (2056.29)

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 (Contd.)

(₹ in lakhs)

	Real Estate	Trading	Manufacturing	Others	Total
Other information					
Segment Assets	7211.09	977.67	152.77	1098.40	9439.93
	<i>11666.20</i>	<i>228.86</i>	<i>1564.12</i>	<i>1100.98</i>	<i>14560.16</i>
Unallocated Corporate Assets					1265.65
					<i>1693.77</i>
Total Assets.....					10705.58
					<i>16253.93</i>
Segment Liabilities.....	423.42	734.48	35.69	641.18	1834.77
	<i>470.27</i>	<i>32.60</i>	<i>3186.49</i>	<i>651.06</i>	<i>4340.42</i>
Unallocated Corporate Liabilities					1329.15
					<i>1336.79</i>
Total Liabilities.....					3163.92
					<i>5677.21</i>
Capital Expenditure	7.00	0.11	4.53	—	11.64
	<i>162.99</i>	<i>0.14</i>	<i>2372.87</i>	—	<i>2536.00</i>
Depreciation.....	94.12	0.77	1366.36	—	1461.25
	<i>93.67</i>	<i>0.74</i>	<i>1441.40</i>	—	<i>1535.81</i>

Notes:

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

(e) 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. D. H. Parekh	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	—	107.74
	<i>(107.74)</i>	<i>(—)</i>	<i>(107.74)</i>
Corporate Office Service and Facilities:			
Shanudeep Private Limited.....	133.48	—	133.48
	<i>(133.48)</i>	<i>(—)</i>	<i>(133.48)</i>
Recovery of Common Expenses			
Shanudeep Private Limited.....	82.86	—	82.86
	<i>(14.52)</i>	<i>(—)</i>	<i>(14.52)</i>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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
Managerial Remuneration: (Including perquisites)			
Mr. D. H. Parekh	— (—)	38.71 (41.40)	38.71 (41.40)
Directors Sitting Fees:			
Mr. Pradeep R. Mafatlal	— (—)	1.60 (1.75)	1.60 (1.75)
Mrs. Divya P. Mafatlal	— (—)	0.80 (0.80)	0.80 (0.80)

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, 2014 ₹ in lakhs	Year ended March 31, 2013 ₹ in lakhs
(f) 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	37.10	134.30
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)		
(g) Earnings per share is calculated as follows:		
(Loss) for the year available for equity shareholders (₹ in lakhs)	(2470.59)	(2056.29)
Weighted average number of equity shares-Basic and Diluted (Nos.)	6,43,28,941	6,43,28,941
Earnings per share (₹) – Basic and Diluted	(3.84)	(3.20)
Nominal value per share (₹)	5.00	5.00
(h) Components of Deferred Tax Asset/(Liability)		
Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Difference in tax and book written down value of fixed assets	(136.44)	(373.97)
Business loss and unabsorbed depreciation	2843.73	2211.16
Disallowances under the Income-tax Act, 1961	175.72	181.88
Deferred Tax Asset (Net)*	2883.01	2019.07

* The Net Deferred Tax Asset as at March 31, 2014 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".

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 (Contd.)

(i) 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, 2014	As at March 31, 2013
Present Value of Funded Obligations.....	(104.32)	(119.67)
Fair Value of Plan Asset	98.25	92.05
Net (Liability)	(6.07)	(27.62)
Amounts in the Balance Sheet		
Liabilities.....	(27.62)	(27.62)
Assets.....	—	—
Net (Liability)	(27.62)	(27.62)

Expenses to be recognized in Statement of Profit and Loss:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Current Service Cost	1.44	4.21
Interest Cost.....	9.57	6.92
Expected Return on Plan Assets	(8.01)	(7.47)
Net Actuarial (Gain)/Loss recognized in year	(24.55)	24.26
Total included in "Employee Benefit Expense"	(21.55)	27.92

Reconciliation of Benefit Obligations and Plan Assets for the year:

Change in Defined Benefit Obligation

Opening Defined Benefit Obligation	119.67	86.52
Current Service Cost	1.44	4.21
Interest Cost.....	9.57	6.92
Benefit Paid.....	(6.08)	(2.61)
Actuarial (Gain)/Loss	(20.28)	24.63
Closing Defined Benefit Obligation.....	104.32	119.67

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27:

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

(₹ in lakhs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	92.05	86.82
Expected Return on Plan Assets	8.01	7.47
Contributions.....	—	—
Benefit paid.....	(6.08)	(2.61)
Actuarial Gain on Plan Assets.....	4.27	0.37
Closing Fair Value of Plan Assets.....	98.25	92.05
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	21.85	17.27
In Public Sector Undertakings Bonds	10.86	8.58
In Fixed Deposit and Balance with Scheduled Banks.....	67.29	74.15

(ii) Assumptions:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate	9.03%	8.00%
Rate of Increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current	8.70%	8.70%

(iii) Experience Adjustments:

(₹ in lakhs)

Amounts for the current annual period and previous four annual periods	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined Benefit Obligation	104.32	119.67	86.52	148.60	148.90
Plan Assets	98.25	92.05	86.82	145.88	148.90
Surplus / (Deficit).....	(6.07)	(27.62)	0.30	(2.72)	—
Net Actuarial Losses / (Gains) Recognized in Year.....	(24.55)	24.26	33.18	(44.36)	42.43
Experience adjustments on plan liabilities Losses/(Gains)	(19.30)	24.63	29.06	(3.63)	34.71
Experience adjustments on plan assets Losses/(Gains)	(4.27)	(0.37)	4.12	(40.33)	7.72

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 (Contd.)

- (j) 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.
- (k) "Other Current Liabilities" (Note 8) includes aggregating to ₹ **14.28 lakhs** (*Previous year ₹ 14.28 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.
- (l) 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 and on behalf of Board of Directors

For Deloitte Haskins & Sells LLP
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 13, 2014

Mumbai, Dated: May 13, 2014

STANDARD INDUSTRIES LTD.

Registered Office:

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

Tel: 65162883/65162890 • Fax: 27780175 • E mail : standardgrievances@rediffmail.com

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

Date: 13th May, 2014

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 Core Banking Solutions, 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, 2014, 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.

Registered Office:

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

Tel: 65162883/65162890 • Fax: 27780175 • E mail : standardgrievances@rediffmail.com

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

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

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

STANDARD INDUSTRIES LTD.

Registered Office:

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

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CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

117th ANNUAL GENERAL MEETING

<p>Name of the Member(s) :</p> <p>Registered address :</p> <p>Email ID :</p> <p>Folio No. / DP ID / Client ID No. :</p>
--

I/We, being the member(s) of Standard Industries Limited, holding....., shares of the above named company, hereby appoint

Name:..... E-mail Id:.....

Address:

..... Signature:

or failing him/her

Name:..... E-mail Id:.....

Address:

..... Signature:

or failing him/her

Name:..... E-mail Id:.....

Address:

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 117th Annual General Meeting of the Company, to be held on Thursday, 14th August, 2014 at 1.00 P.M. at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
ORDINARY BUSINESS	
1	Adoption of Financial Statements for the year ended 31st March, 2014.
2	Declaration of dividend
3	Re-appointment of Shri Pradeep R. Mafatlal, who retires by rotation.
4	Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the auditors of the Company.
SPECIAL BUSINESS	
5	Appointment of Shri Russi Jal Taraporevala as an Independent Director
6	Appointment of Shri M. L. Apte as an Independent Director
7	Appointment of Shri F. M. Pardiwalla as an Independent Director
8	Appointment of Shri Shobhan Diwanji as an Independent Director
9	Re-appointment of Shri D. H. Parekh as an Executive Director for a period of 3 years w.e.f. 2nd August, 2014.

Signed thisday of..... 2014.

Affix
Revenue
Stamp

Signature of the member

Signature of the proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 117th Annual General Meeting.
3. A proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

ATTENDANCE SLIP
STANDARD INDUSTRIES LTD.

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai 400 710.
Tel: 65162883/65162890 • Fax: 27780175 • E mail : standardgrievances@rediffmail.com
CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

117th ANNUAL GENERAL MEETING

Folio No. :

DP ID / Client ID No. :

No. of shares held :

I certify that I am a member / proxy of the Company.

I hereby record my presence at the 117th Annual General Meeting of the Company, to be held on Thursday, 14th August, 2014 at 1.00 P.M. at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614.

Member's / Proxy's Signature

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

NOTE: Please read the complete instructions given under the Note (d) (voting through electronic means) to the Notice of Annual General Meeting. The voting time starts from 9 a.m. on 7th August, 2014 and ends at 6 p.m. on 9th August, 2014. The voting module shall be disabled by NSDL for voting thereafter.

