

# **STANDARD INDUSTRIES LTD.**

126th ANNUAL REPORT 2022-2023



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# STANDARD INDUSTRIES LTD.

## BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL

*Chairman*

SMT. DIVYA P. MAFATLAL

SHRI SHOBHAN DIWANJI

MS. AZIZA A. KHATRI (Upto 28.11.2022)

SHRI TASHWINDER SINGH

SHRI KHURSHED M. THANAWALLA

SHRI D. H. PAREKH

*Executive Director*

## BANKERS

STATE BANK OF INDIA

HDFC BANK LTD.

ICICI BANK LTD.

IDBI BANK LTD.

IDFC FIRST BANK LTD

KOTAK MAHINDRA BANK LTD.

## AUDITORS

M/S. ARUNKUMAR K. SHAH & CO.

*Chartered Accountants*

## ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

## REGISTERED OFFICE

HARSH APARTMENT, FLAT NO. 1,  
GROUND FLOOR, PLOT NO. 211, SECTOR 28,  
VASHI, NAVI MUMBAI - 400 703.

CIN : L17110MH1892PLC000089

WEBSITE : [www.standardindustries.co](http://www.standardindustries.co)

EMAIL : [standardgrievances@rediffmail.com](mailto:standardgrievances@rediffmail.com)

## CORPORATE OFFICE

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

## CITY OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

### Corporate Office:

KFin Technologies Limited,  
Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad,  
Telangana - 500032.

Tel. Nos. : +91 40 6716 2222

E-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website : [www.kfintech.com](http://www.kfintech.com)

### Mumbai Front Office:

KFin Technologies Limited,  
24-B, Raja Bahadur Mansion,  
Ground Floor,  
Ambalal Doshi Marg,  
Behind BSE, Fort,  
Mumbai - 400 023.

Tel. Nos. : +91 22 6623 5454/412/427

**MANAGEMENT TEAM**

SHRI D. H. PAREKH  
*Executive Director  
and Key Managerial Personnel*

SMT. TANAZ B. PANTHAKI  
*Vice President (Legal) & Company Secretary  
and Key Managerial Personnel*

SHRI J. R. SHAH  
*Chief Financial Officer  
and Key Managerial Personnel*

# STANDARD INDUSTRIES LTD.

## FINANCIAL STATISTICS

	As per IGAPP			
	01.04.2013 to 31.03.2014	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017
<b>COMPANY OWNED:</b>				
1. Fixed Assets (Net).....	2,790	2,603	2,089	2,021
2. Investments .....	574	164	94	7,772
3. Net Current/Non-Current Assets .....	8,502	8,096	9,459	(155)
Total Assets (Net).....	11,866	10,863	11,642	9,638
<b>COMPANY OWED:</b>				
1. Loan Funds .....	—	—	2,500	1,868
2. Company's Net Worth:				
Equity Share Capital .....	3,216	3,216	3,216	3,216
Reserves and Surplus.....	8,650	7,647	5,926	4,554
Total capital employed .....	11,866	10,863	11,642	9,638
Debt/Equity Ratio# .....	0.00:1.00†	0.00:1.00†	0.27:1.00†	0.24:1.00†
Income.....	1,432	1,581	1,063	1,466
Salaries and Wages .....	176	180	188	183
Operation and Other Expenses, etc. ....	2,305	1,652	1,802	2,525
Interest.....	—	—	94	419
Profit before Depreciation and Taxes .....	(1,049)	(251)	(1,021)	(1,661)
Depreciation .....	95	149	119	83
Profit before extra ordinary items and taxes .....	(1,144)	(400)	(1,140)	(1,744)
Taxes .....	—	—	—	—
Profit after Taxes .....	(1,144)	(400)	(1,140)	(1,744)
Refund of Income-tax/Extra provision of tax w/back ..	—	—	—	14
Balance brought forward from Previous Year.....	6,801	5,093	4,090	3,321
Transferred from General Reserve .....	—	—	—	—
Depreciation on account of transitional provision of Schedule II to the Companies Act, 2013.....	—	22	—	—
Remeasurement of Defined Benefit Plan .....	—	—	—	—
Amount for Appropriation * .....	5,657	4,671	2,950	1,591
Dividends.....	482	482	482	482
Tax on Dividends.....	82	98	98	98
Balance retained in business.....	5,093	4,091	2,370	1,011
Earnings per Equity Share ₹ **.....	(1.78)	(0.62)	(1.77)	(2.69)
Dividend paid per Equity Share ₹ ** .....	0.75	0.75	0.75	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)

**As per Ind AS**

01.04.2017 to 31.03.2018	01.04.2018 to 31.03.2019	01.04.2019 to 31.03.2020	01.04.2020 to 31.03.2021	01.04.2021 to 31.03.2022	01.04.2022 to 31.03.2023
2,413	4,469	5,029	4,172	2,605	<b>3,116</b>
15,096	19,629	21,883	15,816	15,697	<b>13,274</b>
1,647	(4,609)	(14,709)	(13,675)	3,755	<b>5,969</b>
19,156	19,489	12,203	6,313	22,057	<b>22,359</b>
10,823	14,341	11,150	5,196	2,570	<b>2,443</b>
3,216	3,216	3,216	3,216	3,216	<b>3,216</b>
5,117	1,932	(2,163)	(2,099)	16,271	<b>16,700</b>
19,156	19,489	12,203	6,313	22,057	<b>22,359</b>
1.30:1.00†	2.79:1.00†	10.58:1.00†	4.65:1.00†	0.13:1.00†	<b>0.12:1.00†</b>
4,900	2,236	366	3,894	45,994	<b>6,086</b>
174	160	172	220	232	<b>224</b>
2,347	2,523	2,706	1,821	23,093	<b>2,736</b>
821	1,843	1,493	1,357	439	<b>648</b>
1,558	(2,290)	(4,005)	496	22,230	<b>2,478</b>
76	113	287	316	225	<b>249</b>
1,482	(2,403)	(4,292)	180	22,005	<b>2,229</b>
338	—	—	—	3,650	<b>200</b>
1,144	(2,403)	(4,292)	180	18,355	<b>2,029</b>
—	—	200	—	—	<b>—</b>
1,011	1,779	(1,408)	(5,502)	(5,438)	<b>12,931</b>
204	—	—	—	—	<b>—</b>
—	—	—	—	—	<b>—</b>
—	(8)	(2)	(116)	14	<b>9</b>
2,359	(632)	(5,502)	(5,438)	12,931	<b>14,969</b>
482	644	—	—	—	<b>1,608</b>
98	132	—	—	—	<b>—</b>
1,779	(1,408)	(5,502)	(5,438)	12,931	<b>13,361</b>
1.78	(3.75)	(6.36)	0.28	28.53	<b>3.15</b>
0.75	1.00	—	—	—	<b>2.50</b>

# STANDARD INDUSTRIES LTD.

## NOTICE

Notice is hereby given that the **ONE HUNDRED & TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of STANDARD INDUSTRIES LIMITED will be held on Tuesday, the 1<sup>st</sup> August, 2023, at 3.00 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. Audited Balance Sheet as at 31<sup>st</sup> March, 2023, Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
  - b. Consolidated Audited Balance Sheet as at 31<sup>st</sup> March, 2023, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the financial year ended on that date together with the Report of the Auditors thereon.
2. To confirm Interim Equity Dividend declared for the financial year 2022-2023 and to approve final Equity Dividend for the financial year 2022-2023.
3. To appoint a Director in place of Shri Pradeep R. Mafatlal (DIN 00015361), who retires by rotation and being eligible offers himself 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** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications, re-enactment thereof for the time being in force) (as amended from time to time) M/s. R.S. Gokani & Co, Chartered Accountants (ICAI Firm Registration No. 140229W), be and are hereby appointed

as the Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 131<sup>st</sup> 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 A SPECIAL RESOLUTION

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with relevant provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board, the consent of the members be and is hereby accorded for re-appointment of Shri D.H. Parekh (DIN 00015734), as Executive Director of the Company for a period of 2 years commencing from 2<sup>nd</sup> August, 2023 to 1<sup>st</sup> August, 2025, not liable to retire by rotation, upon the terms of re-appointment including remuneration, commission and perquisites as set out in the Explanatory Statement as required under Section 102(1) of the Companies Act, 2013, with a 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.”

**“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 as set out in this Notice as minimum remuneration subject to compliance of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, in force from time to time.”

“**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:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), in respect of the Special Business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
2. The Ministry of Corporate Affairs (“MCA”) vide circular dated April 8, 2020 read with circulars dated April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The AGM is being held pursuant to the MCA Circulars through VC/OAVM. Physical attendance of Members have been

dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023, Notice of the AGM along with the Annual Report for financial year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report for financial year 2022-23 will also be available on the Company’s website at [www.standardindustries.co](http://www.standardindustries.co), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Limited at [www.kfintech.com](http://www.kfintech.com).
5. In order to enable the Company to promptly send the general meeting notices, annual reports and other shareholder communications in electronic form, Members are requested to register/update their e-mail addresses as under:
  - a. In case shares are held in dematerialized form: Updated details to be sent to their respective Depository Participant with whom members have opened Demat account; and
  - b. In case of shares held in physical form: Updated details to be sent to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
6. The Company has engaged the services of KFin Technologies Limited, Registrar and Transfer Agent as the authorised agency (KFinTech) for conducting of the e-AGM and providing e-voting facility
7. The Company has fixed 25<sup>th</sup> July, 2023, as the ‘Record Date’ for determining entitlement of members to final dividend, if declared at the AGM. If the final dividend, as recommended by the Board of Directors, is declared at 126<sup>th</sup> AGM, payment of such dividend subject to deduction of tax at source will be made on or after 23<sup>rd</sup> August, 2023.



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8. Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participant(s) or in case shares are held in physical form, with the Company's Registrar and Share Transfer Agents, M/s. KFin Technologies Limited, by sending email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) For details, members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 126<sup>th</sup> AGM.
9. The Dividend as recommended by the Directors when declared at the Annual General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Wednesday, the 23<sup>rd</sup> August, 2023, to those shareholders who have not opted for National Electronic Clearing Service (NECS) Mandates. For those shareholders who have submitted their NECS Mandates, the dividend will be credited directly to their respective Bank Accounts.
10. Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents to the Registrar & Share Transfer Agents at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) latest by Tuesday, the 25<sup>th</sup> July, 2023:
  - A. **A signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:**
    1. Name and Branch of Bank and Bank Account type;
    2. Bank Account Number allotted by your bank after implementation of Core Banking Solutions; and
    3. 11-digit IFSC Code.
  - B. self attested scanned copy of cancelled cheque bearing the name of the member or first holder, in case shares are held jointly;
  - C. self attested scanned copy of the PAN Card; and
  - D. self attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the member, as registered with the Company.For the members holding shares in demat mode, please update your Electronic Bank Mandate through your Depository Participant(s).
11. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by shareholders holding shares in physical form, in the requisite forms, ISR-1, ISR-2, ISR-3 or SH-13. The said forms are available on the website of the Company [www.standardindustries.co](http://www.standardindustries.co) On or after 1<sup>st</sup> October, 2023, in case any of the above cited documents / details are not available in the Folio(s), in terms of SEBI Circular dated 16<sup>th</sup> March, 2023, the RTA shall be constrained to freeze such Folio(s).
12. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination, are requested to register the same by submitting Form SH-13. If a member decides to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14, as the case may be. The said Forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may

approach their respective DPs for completing the nomination formalities.

13. Members may please note that SEBI, vide its Circular No. SEBI /HO / MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022, has mandated the listed Companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; renewal / exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated 18<sup>th</sup> May, 2022, has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said Form can be downloaded from the website of the Company and RTA.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. As the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [standardgrievances@rediffmail.com](mailto:standardgrievances@rediffmail.com)
17. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.

**18. Instructions for attending the AGM through VC/OAVM, Remote E-voting and E-voting at the AGM through insta poll are as follows:**

**A. Instructions for attending the AGM through VC/OAVM:**

1. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com> and click on the “video conference” by using their remote e-voting login credentials and selecting the ‘Event’ for Company’s AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
2. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the ‘Speaker Registration’ option available on the screen after log in. The Speaker Registration will be open during 28<sup>th</sup> July, 2023 to 30<sup>th</sup> July, 2023. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
3. Members who may wish to express their views or ask questions at the AGM, may visit <https://emeetings.kfintech.com> and click on the Tab “Post Your Queries Here” to post their queries in the window provided, by mentioning their name and demat account number. Members may note

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that depending upon the availability of time, questions may be answered during the meeting or responses will be shared separately after the AGM.

4. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
5. Members may join the AGM through laptops, smartphones, tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
7. Members who need assistance before or during the AGM, relating to use of technology, can contact KFintech at 1800 309 4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

## **B. Instructions for remote e-voting**

1. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is

offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of shares held in dematerialized form) maintained by the Depositories as on the cut-off date i.e. 25<sup>th</sup> July, 2023, only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. KFintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 9.00 A.M. (IST) on 28<sup>th</sup> July, 2023 to 5.00 P.M. (IST) on 31<sup>st</sup> July, 2023. At the end of remote e-voting period, the facility shall forthwith be blocked.

Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. 25<sup>th</sup> July, 2023, may obtain the User ID and password by sending a request at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
4. The detailed instructions in connection with exercising the right to vote by the members using the remote e-voting facility or e-voting during the AGM are enclosed as Annexure 1 to this Notice.
5. Once the member has cast his/her vote on resolutions set forth in the AGM Notice through remote e-voting, he/she shall not be allowed to change it subsequently or cast the vote again.

6. Members who do not have the User ID/ Password for e-voting or have forgotten the User ID/ Password may retrieve the same by following the steps given under remote e-voting instructions annexed as **Annexure 1** to this Notice.
19. Corporate Members are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution/ Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to [evoting@kfintech.com](mailto:evoting@kfintech.com).
20. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being 25<sup>th</sup> July, 2023.
21. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password” or “Physical User Reset Password” option available on <https://evoting.kfintech.com> to reset the password.
22. The Board of Directors have appointed Shri Kaushik M. Jhaveri, Proprietor, M/s. Kaushik M. Jhaveri & Co., Practicing Company Secretary, (Membership No. FCS 4254) as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
23. The Scrutinizer, after the conclusion of voting at the AGM, shall first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.standardindustries.co](http://www.standardindustries.co) and the website of Kfintech at <https://evoting.kfintech.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
25. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech’s website <https://evoting.kfintech.com> or contact toll free no. 1800 309 4001.
26. The unclaimed dividend for the accounting periods ending 31<sup>st</sup> March, 2016 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, 2015 To March, 2016	27.06.2016	25.07.2023
April, 2016 To March, 2017	31.08.2017	02.10.2024
April, 2017 To March, 2018	29.05.2018 (Interim) 20.08.2018 (Final)	03.07.2025 24.09.2025
April, 2018 To March, 2019	—	—
April, 2019 To March, 2020	—	—
April, 2020 To March, 2021	—	—
April, 2021 To March, 2022	19.05.2022 (Interim) 18.08.2022 (Final)	21.06.2029 22.09.2029

The details of unpaid/unclaimed Dividend(s) are available on the website of the Company [www.standardindustries.co](http://www.standardindustries.co) and on the Ministry of Corporate Affairs website.

The Ministry of Corporate Affairs (‘MCA’) had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, effective from 7<sup>th</sup> September, 2016 (‘IEPF Rules 2016’).

The Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by members for seven consecutive years or more in the account of the Investor Education and Protection Fund (IEPF) Authority.

Accordingly, the Company would be transferring every year to IEPF Authority, those shares in respect of which Dividend has not been encashed or claimed by the Members for seven consecutive years. Members who have so far not encashed the Dividend Warrants for the Financial years ended March, 2016, onwards, are advised to submit their claims to the Company’s Registrar and Share

# STANDARD INDUSTRIES LTD.

Transfer Agents, Kfintech, or the Company's Registered office at Flat No. 1, Ground Floor, Harsh Apartment, Plot No. 211, Sector – 28, Vashi, Navi Mumbai – 400 703.

Pursuant to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 (IEPF Rules 2016), as amended from time to time, Shareholders whose shares on which dividend has not been claimed from financial year 2014-15 & seven consecutive years thereafter, have been transferred to IEPF authority in the financial year 2021-22 as per Section 124(5) of the Companies Act, 2013.

Members/ claimants whose shares, unclaimed dividend have been transferred to the IEPF, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees, if any, as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

27. The Company's securities are listed on the following Stock Exchanges

Sr. No.	Name & Address of the Stock Exchange	Nature of Security
1.	BSE Ltd., Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023.	Equity Shares
2.	National Stock Exchange of India Ltd., Exchange Plaza, 5 <sup>th</sup> 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 31<sup>st</sup> March, 2024.

28. 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 update with the Company or Kfintech.

The Annual Report of the Company circulated to the members of the Company, is available on the Company's website: [www.standardindustries.co](http://www.standardindustries.co)

29. Details of Shri Pradeep R. Mafatlal and Shri D.H. Parikh, as required to be given pursuant to the SEBI Listing Regulations, and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India in respect of director seeking appointment/reappointment at the AGM, is attached to this Notice as "**Annexure 2**".

In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of Kfintech's website for e-voting: <https://evoting.kfintech.com> or call Kfintech on 1800 309 4001 (toll free).

Members are requested to note the following contact details for addressing e-voting grievances:

**Mr. Anil Dalvi**  
Manager

KFin Technologies Limited  
Selenium Tower B, Plot 31 - 32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032  
Telephone: +91 – 40 6716 2222  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

**INSTRUCTIONS AT A GLANCE**

**Cut-off date : 25<sup>th</sup> July, 2023**

**Remote e-voting period Starts at 9.00 a.m. on 28<sup>th</sup> July, 2023, and ends at 5.00 p.m. on 31<sup>st</sup> July, 2023**

**For remote e-voting log on to: <https://evoting.kfintech.com>**

**Speaker Registration From 28<sup>th</sup> July, 2023 to 30<sup>th</sup> July, 2023.**

**Log onto: <https://emeetings.kfintech.com>**

**AGM Date and time: 1<sup>st</sup> August, 2023 at 3.00 P.M.**

**For attending AGM log on to: <https://emeetings.kfintech.com>**

**For e-voting during AGM go to the “Insta Poll” page after voting is announced by clicking on the thumb icon on the video screen**

**User ID and Passwords: Use your existing User ID and Password; OR**

**User ID and Password mentioned in the email; OR**

**Write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). (for shares held in physical form); OR**

**Register /update your email addresses with the Depository Participant(s) (for shares held in Demat form)**

**KFintech’s contact details Toll free number: 1800-309-4001**

**By Order of the Board**

**TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary  
FCS No. 2894**

**Registered Office:**

**Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector – 28, Vashi,  
Navi Mumbai – 400 703.  
CIN: L17110MH1892PLC000089**

**Dated: 22<sup>nd</sup> May, 2023**



## 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 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to item No. 5 contained in the accompanying Notice dated 22<sup>nd</sup> May, 2023.

#### **Item No. 5**

The Board of Directors of the Company ("the Board"), at its meeting held on 22<sup>nd</sup> May, 2023 has, subject to approval of members, re-appointed Shri D. H. Parekh (DIN: 00015734) as an Executive Director for a period of 2 (two) years with effect from August 2, 2023, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC') of the Board. Members' approval is sought for the re-appointment of and remuneration payable to Shri D. H. Parekh as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

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

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

- (1) Salary of ₹ 7,00,000/- per month inclusive of dearness and all other allowances with the authority to the NRC of the Board to grant such increments from time to time as it may decide in its absolute discretion upto a salary of ₹ 9,00,000/- per month.
- (2) Commission as may be decided by the NRC 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.
- (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 (including leave encashment), leave travel concessions for self and family, personal accident insurance and such other perquisites and on such terms and conditions as the NRC 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.

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.

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.

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

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'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.

#### (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 aforesaid remuneration by way of salary, perquisites and retirement benefits as minimum remuneration subject to compliance with Schedule V and other applicable provisions, if any, of the Companies Act 2013.

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:

Presently the Company has a Property Division (previously known as real estate), and Trading in Textiles.

The Property Division comprises of assets which are in excess of business needs which the Company would liquidate based on market conditions

- 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:

	₹ in lakhs	₹ in lakhs	₹ in lakhs
	(2022-23)	(2021-22)	(2020-21)
Turnover	1591.65	43560.14	749.32
Profit Before Tax	2228.60	22005.06	180.20
Profit After Tax	2028.60	18355.06	180.20
Networth	19915.98	19486.69	1117.37

- 5) Foreign investments or collaborations, if any:

There are no foreign investments or collaborations by the Company. However, 39.71% of the share capital of the Company is held by NRI/OCB and FIIs.

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 the Company in the year 1976. In 1998 he was promoted to the post of Vice-President (Finance).

Shri D. H. Parekh is Executive Director on the Board of Standard Industries Limited and a Director in Stanrose Mafatlal Investments and Finance Limited, Stan Plaza Limited, Duville Estates Private Limited and Umiya Balaji Real Estate Private Limited. He is a Member of Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of Standard Industries Limited.

Shri D. H. Parekh holds 100 shares in the Company as of date of this notice.



# STANDARD INDUSTRIES LTD.

2) Past remuneration:

Remuneration paid to Shri D. H. Parekh for past 3 financial years is as under:

Financial year	Salary	Perquisites	Contributions	Personal Accident & Medical Insurance	Total
2020-21	48,30,984	7,57,048	17,66,169	1,23,323	74,77,524
2021-22	60,00,000	27,68,231	21,20,000	1,36,633	1,10,24,864
2022-23	60,00,000	30,30,524	21,20,000	1,55,647	1,13,06,171

3) Recognition or awards:

Refer Para (1) above under section 'Background details':

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.

4) Job profile and his suitability:

As an Executive Director & KMP of the Company, Shri D. H. Parekh will be responsible for the business affairs of the Company. Shri D. H. Parekh's profile includes 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 47 years holding various responsible positions in the Company. Having regard to his vast experience, it will be in the interest of the Company to re-appoint him as Executive Director & KMP of the Company.

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 on 31 March 2023, the Company has a net profit of ₹ 22.29 crore. The remuneration proposed to be paid to Shri D.H Parekh is within the overall limits prescribed under section 197. The management is not anticipating inadequacy of profits or loss during the tenure of Shri D. H. Parekh. However, in the unlikely event of any macro or micro economic crisis/situation or pandemic or other exceptional circumstances, there could be inadequate profits or loss during his tenure. In such a scenario all adequate steps, as may be necessary, will be taken by the Company for improving productivity and profits like bringing efficiency in operations, reduction of costs, etc. The Company is passing a Special Resolution as a matter of abundant precaution pursuant to the provisions of Section 197(1) of the Companies Act, 2013 and Schedule V thereto.

5) Remuneration proposed:

As given above.

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 competitive and 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;

With his relentless efforts and initiatives 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.

Keeping in view that Shri D. H. Parekh has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, the Board is of the opinion that the re-appointment of Shri D. H. Parekh as Executive Director & KMP, would be in the interest of the Company.

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

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

Section 196(3) of the Companies Act, 2013, *inter alia*, provides that no company shall appoint / re-appoint a person who has attained the age of 70 years as Executive Director unless it is approved by the members by passing a special resolution. Accordingly, the Board of Directors recommends the Special Resolution set out in item no. 5 of this Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in passing of the Resolution at Item No.5 of the accompanying Notice.

In view of the aforesaid provisions, you are requested to grant your consent to the Special Resolution as set out at item No.5 of the accompanying Notice.

By Order of the Board

TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary  
FCS No. 2894

Registered Office:

Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector – 28, Vashi,  
Navi Mumbai – 400 703.  
CIN: L17110MH1892PLC000089

Dated: 22<sup>nd</sup> May, 2023.

## Annexure 1 INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING AT AGM

The process and manner for remote e-voting and joining and voting at the AGM are explained below:

Step 1 : Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Step 2 : Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3 : Access to join the AGM on KFin system and to participate and vote thereat.

**Details on Step 1 are mentioned below:**

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

**I) Login for remote e-voting for Individual Members holding equity shares in demat mode.**

Type of Member	Login Method
<u>Individual Members holding securities in demat mode with NSDL</u>	<p><b>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-services website of NSDL <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile.</li> <li>2. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password.</li> <li>3. After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed.</li> <li>4. Click on company name i.e. ‘Standard Industries Limited’ or e-voting service provider i.e. KFin.</li> <li>5. Members will be re-directed to KFin’s website for casting their vote during the remote e-voting period and voting during the AGM.</li> </ol> <p><b>Those not registered under IDeAS:</b></p> <ol style="list-style-type: none"> <li>1. Visit <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> for registering.</li> <li>2. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>4. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open.</li> <li>5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.</li> <li>6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> <li>7. Click on company name i.e Standard Industries Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.</li> </ol>

Type of Member	Login Method
<p><u>Individual Members holding securities in demat mode with CDSL</u></p>	<ol style="list-style-type: none"> <li><b>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</b> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Click on New System MyEasi.</li> <li>iii. Login to MyEasi option under quick login.</li> <li>iv. Login with the registered user ID and password.</li> <li>v. Members will be able to view the e-voting Menu.</li> <li>vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol> </li> <li><b>2. User not registered for Easi / Easiest</b> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> for registering.</li> <li>ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.</li> </ol> </li> <li><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b> <ol style="list-style-type: none"> <li>i. Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Provide demat Account Number and PAN</li> <li>iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Standard Industries Limited’ or select KFin.</li> <li>v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol> </li> </ol>
<p><u>Individual Members login through their demat accounts / Website of Depository Participant</u></p>	<ol style="list-style-type: none"> <li>i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.</li> <li>ii. Once logged-in, Members will be able to view e-voting option.</li> <li>iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.</li> <li>iv. Click on options available against Standard Industries Limited or KFin.</li> <li>v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.</li> </ol>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
<p>Securities held with NSDL</p>	<p>Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b></p>
<p>Securities held with CDSL</p>	<p>Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b></p>

# STANDARD INDUSTRIES LTD.

Details on Step 2 are mentioned below:

## II) Login method for e-voting for Members other than Individual Members holding shares in demat mode and Members holding securities in physical mode.

- (A) Any person holding shares in physical form and non-individual Members holding shares in demat mode as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). In case they are already registered with KFin for remote e-voting, they can use their existing User ID and password for voting.
- (B) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin which will include details of e-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc..). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their

password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.

- v. Members would need to login again with the new credentials.
  - vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Standard Industries Limited - AGM' and click on "Submit"
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
  - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
  - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (C) Members whose email IDs are not registered with the Company/Depository

Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
- ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- iii. Alternatively, Members may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.
- iv. The facility for voting through electronic voting system will also be made available at the AGM ('Insta Poll') and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through Insta Poll.
- v. Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the AGM.
- vi. Members may click on the "Thumb sign" on the left hand corner of the video screen to take them to the "Insta Poll" page. Members may click on the "Insta Poll" icon to reach the Resolution page and vote on the Resolutions.
- vii. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM.

### Details on Step 3 are mentioned below:

### III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFin.

By Order of the Board

TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary  
FCS No. 2894

Registered Office:

Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector – 28, Vashi,  
Navi Mumbai – 400 703.  
CIN: L17110MH1892PLC000089

Dated: 22<sup>nd</sup> May, 2023.

# STANDARD INDUSTRIES LTD.

**Annexure 2: Information required to be furnished under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.**

Name of Director	Pradeep R. Mafatlal	D. H. Parekh
DIN	00015361	00015734
Age	58 Years	71 Years
Date of birth	18 <sup>th</sup> March, 1965	16 <sup>th</sup> July, 1951
Nationality	Indian	Indian
Date of first appointment on the board	10 <sup>th</sup> July, 1984	02 <sup>nd</sup> August, 2011
Relationship with other directors and KMPs	Spouse of Divya P. Mafatlal, Non-Executive Director	There is no relationship with other Directors on the Board
Qualification	<ul style="list-style-type: none"> <li>• D.D. Com,</li> <li>• Diploma in business management</li> </ul>	• Chartered Accountant
Terms and condition of appointment/re-appointment	Non-Executive, Promoter Director liable to retire by rotation	As per the resolution at item No. 5 of the Notice convening this Meeting read with explanatory statement thereto, Shri D. H. Parekh is proposed to be reappointed as an Executive Director.
Remuneration sought to be paid	Entitled to commission in addition to sitting fees for attending the meetings	Refer item No. 5 in the Explanatory Statement of this Notice.
Remuneration last drawn	Remuneration paid in FY 2022-23 is given in the Corporate Governance Report	As disclosed above.
Nature of expertise in specific functional areas	He is an industrialist having diversified experience of more than 37 years in the areas of textiles, chemicals, realty & other businesses.	He has diversified experience for about 47 years in financial accounting, taxation & management.
In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable
Number of shares & % of holding	13555 shares, comprising of 0.02% of share capital of the Company	100 shares which is negligible % of the Share Capital of the Company

<b>Name of Director</b>	<b>Pradeep R. Mafatlal</b>	<b>D. H. Parekh</b>
List of directorships held in other companies	<p>Listed Company:</p> <ul style="list-style-type: none"> <li>• Stanrose Mafatlal Investments and Finance Limited</li> </ul> <p>Unlisted Companies:</p> <ul style="list-style-type: none"> <li>• Shanudeep Private Limited</li> <li>• Standard Salt Works Ltd</li> <li>• Mafatlal Enterprises Limited</li> <li>• Sheiladeep Investments Private Limited</li> <li>• Vinadeep Investments Private Limited</li> <li>• Umiya Balaji Real Estate Private Limited</li> <li>• HPA Sports Private Limited</li> </ul>	<p>Listed Company:</p> <ul style="list-style-type: none"> <li>• Stanrose Mafatlal Investments and Finance Limited</li> </ul> <p>Unlisted Companies:</p> <ul style="list-style-type: none"> <li>• Stan Plaza Limited</li> <li>• Duville Estates Private Limited</li> <li>• Umiya Balaji Real Estate Private Limited</li> </ul>
Names of Listed Entities from which resigned in the past 3 years	NIL	NIL
Chairmanships/ memberships of committees in other companies (includes audit committee [AC] and stakeholders' relationship committee [SRC])	He is a member of Stakeholders' Relationship Committee of Stanrose Mafatlal Investments & Finance Ltd.	NIL
Number of board meetings attended during the FY 2022 - 2023	<p>Held – 4</p> <p>Attended – 4</p>	<p>Held – 4</p> <p>Attended – 4</p>

By Order of the Board  
TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary  
FCS No. 2894

Registered Office:  
Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector – 28, Vashi,  
Navi Mumbai – 400 703.  
CIN: L17110MH1892PLC000089  
Dated: 22<sup>nd</sup> May, 2023



## COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the IT Act. Please take note of the below TDS provisions and information/document requirements for each member:

### **Section 1: For all Members - Details that should be completed and /or updated, as applicable**

a. All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 25<sup>th</sup> July, 2023 ("Record Date"). Please note that these details as available on Record Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Act i.e. Resident or Non-Resident for FY 2023-24.
- III. Category of the Member:
  - i. Mutual Fund
  - ii. Insurance Company
  - iii. Alternate Investment Fund (AIF) Category I and II
  - iv. AIF Category III
  - v. Government (Central/State Government)
  - vi. Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII): Foreign Company
  - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
  - viii. Individual
  - ix. Hindu Undivided Family (HUF)
  - x. Firm
  - xi. Limited Liability Partnership (LLP)
  - xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
  - xiii. Trust
  - xiv. Domestic company
  - xv. Foreign company.
- IV. Email Address.
- V. Address.

### **Section 2: TDS provisions and documents required, as applicable for relevant category of Members**

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by the Record Date their respective category, in order to comply with the applicable TDS provisions.

**I. For Resident Members:**

- i. **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- ii. **Insurance companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.
- iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- iv. **Recognised Provident funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- viii. **Government (Central/State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.
- ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- x. **Other resident Members:**
  - a) TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.
  - b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual member does not exceed ₹ 5,000.
  - c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).
  - d) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the member is not available.
  - e) As per Section 206AB of the ITA Act, in respect of non-filers of income tax return for the preceding financial year for which the time limit has expired, tax is required to be deducted at the highest of following rates:
    - at twice the rate specified in the relevant provision of the IT Act; or
    - at twice the rate or rates in force; or
    - at the rate of 5%

# STANDARD INDUSTRIES LTD.

In this regard, the Company would rely on Compliance Check Utility made available by Central Board of Direct Taxes

- f) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

## II. For Non-resident Members:

i. **Any entity entitled to beneficial rate/ exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to beneficial rate/ exemption from TDS needs to be submitted.

### ii. Other non-resident Members:

- a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act (For FPI and FII) and u/s 195 of the IT Act for other non-resident members.
- b) Member may be entitled to avail lower TDS rate as per Agreement For Avoidance Of Double Taxation (DTAA) between India and the country of tax residence of the member, on furnishing the below specified documents.
  - 1) Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 37BC of the Income-Tax Rules, 1962.
  - 2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is a resident;
  - 3) Self-declaration in Form 10F; and
  - 4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication).
- c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by Record Date. Please note that no communication in this regard, shall be accepted post Record Date.

### Section 3: Other general information for the Members:

- I. For all self-attested documents, members must mention on the document "certified true copy of the original". For all documents being sent/ accepted by email, the Member undertakes to send the original document/s on the request by the Company.
- II. TDS will be deducted based on details of registered member only. Once TDS is deducted in the name of Registered of Members/ Beneficial Owners as appearing on Record Date, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- III. TDS deduction certificate will be sent to the members' registered email address in due course.
- IV. Surcharge rates applicable for financial year 2023 - 24 for non-residents:
  - (i) Individual, HUF, AOP, BOI, AJP,

<b>Dividend Income</b>	<b>Rate</b>
Upto ₹ 50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore but does not exceed ₹ 2 crore	15%
Income exceeds ₹ 2 crore but does not exceed ₹ 5 crore	25%
Income exceeds ₹ 5 crore	37%

Provided that where the income of such person is chargeable to tax under sub-section (1A) of section 115BAC of the Income-tax Act, the rate of surcharge shall not exceed twenty-five per cent.

(ii) Co-operative society or Firm, registered under applicable Indian law

<b>Aggregate Income</b>	<b>Rate</b>
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crore	7%
Income exceeds ₹ 10 crore	12%

(iii) Foreign company

<b>Aggregate Income</b>	<b>Rate</b>
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crores	2%
Income exceeds ₹ 10 crores	5%

- V. Normal dividend/s declared in the preceding Financial Year 2022-2023 would be considered as the basis to determine applicability of the surcharge rate.
- VI. Health and Education Cess of 4% is applicable for non-residents.
- VII. Equity shares of the Company, which were transferred by the Company in the name of Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act 2013 and Rules framed thereunder, the TDS shall be deducted basis the available details of the underlying members.
- VIII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in register of members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- IX. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
- X. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

**Note:**

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

# STANDARD INDUSTRIES LTD.

## Annexure 1

### FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date

To  
Standard Industries Limited,  
Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector – 28, Vashi,  
Navi Mumbai – 400 703.

**Subject: Declaration for eligibility to claim benefit under Agreement For Avoidance Of Double Taxation between Government of India and Government of <mention country of tax residency> ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable**

With reference to above, I/We wish to declare as below

1. I / We,.....<Full name of the member>, having permanent account number (PAN) under the Indian Income tax Act, <mention PAN >, and holding..... <mention number of shares held> number of shares of the Company under demat account number/ folio number..... as on the record date, am/ are a tax resident of <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for ..... <period>, which is valid as on the Record Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of .....<Full name of the member> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

**For. ....<Mention the name of the payee>**

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>

## DIRECTORS' REPORT

To  
The Members,  
Standard Industries Limited.  
Your Directors hereby present the 126<sup>th</sup> Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS (AS ADJUSTED UNDER IND AS)

	<b>Current year 01.04.2022 to 31.03.2023 (₹ in lakhs)</b>	<i>Previous year 01.04.2021 to 31.03.2022 (₹ in lakhs)</i>
<b>Gross Profit before Depreciation and tax</b> .....	<b>2477.56</b>	22230.03
Less: Depreciation .....	<b>248.96</b>	224.97
Profit before Taxes .....	<b>2228.60</b>	22005.06
Current Tax .....	<b>200.00</b>	3650.00
Profit after Taxes .....	<b>2028.60</b>	18355.06
Remeasurements of the defined benefit Plan .....	<b>8.91</b>	14.26
Net Profit .....	<b>2037.51</b>	18369.32
Balance brought forward from previous year .....	<b>12931.34</b>	(5437.98)
Sub total .....	<b>14968.85</b>	12931.34
Less : Interim Dividend @ 35% on 6,43,28,941 Equity Shares for the Financial Year 2021-22 .....	<b>(1125.75)</b>	—
Less : Final Dividend @ 15% on 6,43,28,941 Equity Shares for the Financial Year 2021-22 .....	<b>(482.47)</b>	—
<b>Retained Earnings as on 31.3.2023</b> .....	<b>13360.63</b>	12931.34

The Company has drawn up its Accounts under IND AS.

The Board of Directors have declared an Interim dividend of ₹ 0.80 per equity share of ₹ 5/- each for the year ended 31<sup>st</sup> March, 2023. Further, the Board of Directors have recommended a final dividend of ₹ 0.25 per equity share of ₹ 5/- each for the financial year ended 31<sup>st</sup> March, 2023 and is subject to approval of members at the ensuing Annual General Meeting.

### RESULTS OF OPERATIONS & THE STATE OF COMPANY AFFAIRS:

#### TRADING DIVISION

For the Financial Year April, 2022 to March, 2023 under review, the Company has achieved a textile trading turnover of ₹ 1567.65 lakhs in comparison with ₹ 807.01 lakhs for the previous financial year.

We have recovered lost ground of uniform business which was badly affected by pandemic situation in earlier years. We shall be introducing new product line such as prints/2x2 Rubia etc., in the near future.

#### PROPERTY DIVISION (REAL ESTATE ACTIVITIES)

The Property Division of the Company comprises of assets which are in excess of business needs, which the Company would liquidate based on market conditions.

#### SALE OF TRANSFERRABLE DEVELOPMENT RIGHT (TDR)

On receipt of Development Right Certificate (DRC) showing entitlement of Transfer of Development Rights (TDR) with respect to the land situated at Sewree, the Company has assigned all rights and interest concerning the said entitlement of TDR vide Agreement dated 21<sup>st</sup> October, 2022, to K. Raheja Private Limited and Feat Properties Private

# STANDARD INDUSTRIES LTD.

Limited at an aggregate price of ₹ 2875.82 lakhs and recorded a gain of ₹ 2862.00 lakhs during the period under review.

## SALE OF PROPERTY

The Company has sold 15 flats at Damani Estate, Thane, at an aggregate consideration of ₹ 7.11 crores. The Company has also sold Flat No. 1008 at Sky Flama, Sewree, at a consideration of ₹ 2.10 crores.

## ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2022-23, are prepared as per Indian Accounting Standards ("IND AS") and in compliance with applicable provisions of the Companies Act, 2013 ("the Act"), read with the Rules issued thereunder and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company and its subsidiaries, as approved by the respective Board of Directors.

## NATURE OF BUSINESS OF THE COMPANY

There has been no change in the nature of business of the Company.

## SHARE CAPITAL

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2023, is ₹ 32,16,44,705/- comprising 6,43,28,941 Shares of ₹ 5/- each.

During the financial year under review, the Company has not issued any class of securities including shares with differential voting rights, Sweat Equity Shares and has not granted any stock options.

The Company has not bought back any of its securities during the financial year under review.

The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

## TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

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

The Company is not engaged in manufacturing activities during the financial year under review. Therefore, there is no information to submit in respect of conservation of energy and absorption of technology. The Company is, however, constantly pursuing technological upgradation in a cost-effective manner for delivering quality customer service.

The Company has no foreign exchange earnings and there was outgoing of ₹ 492.40 lakhs towards payment of Dividend during the financial year under review.

## PUBLIC DEPOSITS

There are no outstanding public deposits remaining unpaid as on 31<sup>st</sup> March, 2023. The Company has not accepted any public deposits under Chapter V of the Act and rules made thereunder.

However, the Company has taken loan from Non Banking Financial Institution which is exempt from the definition of 'deposit' under the Companies (Acceptance of Deposits) Rules, 2014. The details of such loans are given in Note No. 20 to the standalone financial statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors of your Company hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**DETAILS OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

The Company does not have any Associate or Joint Venture Company. However, your Company has following Wholly-owned Subsidiaries:

1. Standard Salt Works Limited
2. Mafatlal Enterprises Limited

During the previous financial year 2021-2022, Standard Salt Works Limited was a material subsidiary of the Company under Regulation 24A of SEBI (LODR), Regulation 2015. However, for the current financial year 2022-2023, Standard Salt Works Limited is not a material subsidiary of the Company.

**COST RECORDS**

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, is not applicable to the Company.

**DONATIONS**

During the Financial Year, the Company has donated a sum of ₹ 16.78 lakhs to various Charitable and Educational Institutions.

The Company has also contributed a sum of ₹ 120.22 Lakhs towards Corporate Social Responsibility as per Schedule VII of the Companies Act, 2013, during the Financial Year.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Retirement by rotation and subsequent re-appointment**

Pursuant to Article 158 of the Articles of Association of the Company read with Section 152 of the Act, Shri Pradeep R. Mafatlal (DIN : 00015361) is due to retire by rotation at the ensuing Annual General Meeting (“AGM”) and being eligible offers himself for reappointment.

**B. Changes in Directors**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 19<sup>th</sup> May 2022 approved the appointment/re-appointment of the following Directors, during FY 2022-23 and such appointment/re-appointment were also approved by the Members at the 125<sup>th</sup> Annual General Meeting held on 18<sup>th</sup> August 2022:

- a. Appointment of Shri Khurshed M. Thanawalla (DIN: 00201749) as Non-Executive Independent Director of the Company for a period of 5 years from 19<sup>th</sup> May, 2022 to 18<sup>th</sup> May, 2027.
- b. Re-appointment of Shri Tashwinder Singh (DIN: 06572282) as Independent Director of the Company for a period of 5 years w.e.f. 10<sup>th</sup> February, 2023 to 9<sup>th</sup> February, 2028.

Ms. Aziza A. Khatri ceases to be an Independent Director of the Company with effect from 28<sup>th</sup> November, 2022. The Board has placed on record their sense of appreciation of the valuable services rendered by Ms. Aziza A. Khatri during her association with the Company.

**Re-appointment of Shri D.H. Parekh**

Shri D.H. Parekh was appointed as an Executive Director for a period of 3 years commencing from 2<sup>nd</sup> August, 2020 and his tenure would expire on 1<sup>st</sup> August, 2023. Based on the recommendation of the Nomination and Remuneration Committee, the Board has re-appointed Shri D.H. Parekh as Executive Director for a term of 2 (two) years from 2<sup>nd</sup> August, 2023, to 1<sup>st</sup> August, 2025 subject to approval of the Members at the ensuing AGM. The terms and conditions of his re-appointment are mentioned in the Explanatory Statement under Section 102(1) of the Act.

Shri D. H. Parekh is not disqualified from being appointed as a Director as specified in Section 164 of the Act.

**C. Declarations by Independent Directors and re-appointment:**

Pursuant to the provisions of Section 149 of the Act and Regulation 25 of SEBI (LODR) Regulations, 2015, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year under review, 4 (Four) Board Meetings were held, the details of which are given in the Corporate Governance Report. The gap between two consecutive meetings was within the period prescribed under Section 173 of the Act and Regulation 17(2) of SEBI Listing Regulations.

**AUDIT COMMITTEE**

The Audit Committee comprises the following:

Shri Khurshed M. Thanawalla (appointed w.e.f. 14.11.2022)	—	Chairman
Ms. Aziza A. Khatri (upto 14.11.2022)	—	Chairperson
Shri D. H. Parekh	—	Member
Shri Shobhan Diwanji	—	Member



# STANDARD INDUSTRIES LTD.

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC comprises the following:

Shri Khurshed M. Thanawalla (appointed w.e.f. 14.11.2022)	—	Chairman
Ms. Aziza A. Khatri (upto 14.11.2022)	—	Chairperson
Smt. Divya P. Mafatlal	—	Member
Shri Shobhan Diwanji	—	Member

The Committee has laid down the Company's Policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other related matters.

Pursuant to Section 134(3)(e) and Section 178 of the Act, the Company's Policy on Directors' appointment & remuneration is uploaded on the website of the Company at the link [www.standardindustries.co/pdf/Nomination&RemunerationPolicy.pdf](http://www.standardindustries.co/pdf/Nomination&RemunerationPolicy.pdf)

## MATERIAL CHANGES AND COMMITMENTS

On receipt of DRC showing entitlement of Transfer of Development Rights (TDR) with respect to the land situated at Sewree, the Company has assigned all rights and interest concerning the said entitlement of TDR vide Agreement dated 21<sup>st</sup> October, 2022, to K. Raheja Private Limited and Feat Properties Private Limited at an aggregate price of ₹ 2875.82 lakhs and recorded a gain of ₹ 2862.00 lakhs during the period under review.

## SIGNIFICANT AND MATERIAL ORDERS

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of the operations. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information.

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. 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.

## INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company has adopted Indian Accounting Standards ("IND AS") pursuant to Ministry of Corporate Affairs Notification dated 16<sup>th</sup> February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

## AUDIT OBSERVATIONS AND EXPLANATION OR COMMENTS BY THE BOARD

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Secretarial Auditor in their respective Reports. The Secretarial Auditor has observed in his Report, the following :

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR Regulations) no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Shri Khurshed Meherwanji Thanawalla, person aged above 75 years, was appointed by the Board as a Non-Executive Independent Director of the Company on 19<sup>th</sup> May, 2022. Whereas, approval of shareholders was obtained on 18<sup>th</sup> August, 2022.

The Management of the Company has explained that Securities Appellant Tribunal, Mumbai (SAT), in its Order dated 27<sup>th</sup> April, 2023, in the matter of Nectar Life Sciences Ltd. V/s. SEBI & NSE, has mentioned that the word "unless" depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a Special Resolution as a qualifying condition for appointment of a person as a Director. SAT has further stated that no penalty could have been imposed for violation of Regulation 17(1A) of the LODR Regulations.

The observations made by the Statutory Auditors read with the relevant notes on accounts is self-explanatory.

## PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's subsidiaries (in Form AOC - 1) is annexed to the Financial Statements of the Company.

**ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2023 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website and can be accessed at <http://www.standardindustries.co/pdf/Annual%20Return%20as%20of%2031%20March%202023.pdf>

**FORMAL ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of the Company, based on recommendations of the NRC, has carried out an annual performance evaluation of its own performance and that of its committees and that of the individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company and related matters and familiarization programmes attended by Independent Directors are put up on the website of the Company at the link <http://www.standardindustries.co/pdf/FamiliarizationProgrammeforIndependentDirectors.pdf>

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

Vigil Mechanism/Whistle Blower Policy has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee of the Board of Directors of the Company or any member of such Audit Committee. It aims to provide a platform for the Whistle Blower to raise concerns on serious matters regarding ethical values, probity and integrity or any violation of the Company's Code, including the operations of the Company. The said Code has been displayed on the Company's website [www.standardindustries.co](http://www.standardindustries.co)

There have been no cases of frauds which required the Statutory Auditors to report to the Audit Committee/ Board during the financial year under review.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

There have been no complaints received during the financial year.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR Committee comprises the following:

Shri Pradeep R. Mafatlal	—	Chairman
Smt. Divya P. Mafatlal	—	Member
Shri D.H. Parekh	—	Member
Shri Khurshed Thanawalla (w.e.f. 14.11.2022)	—	Member
Ms. Aziza A. Khatri (upto 14.11.2022)	—	Member

The Company has formed a CSR Committee and has uploaded the CSR Policy on the Company's website at link <http://www.standardindustries.co/pdf/PolicyOnCorporateSocialResponsibility.pdf>

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Companies Act, 2013. The brief outlines of the CSR Policy of the Company and the initiatives undertaken by the Company's CSR activities during the year are set out in Annexure 'D' of this Report in the format prescribed in the Corporate Social Responsibility(CSR) Policy Rules, 2014. For other details regarding CSR Committee, please refer to the Corporate Governance Report.

The Chief Financial Officer of the Company has certified that the CSR amount so distributed for the projects have been utilized for the purposes and in the manner as approved by the Board.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments pursuant to the provisions of Section 186 of the Act, read with Companies (Meetings of Board and its Powers) Rules, 2014, are given in the Notes to the Financial Statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act, are disclosed in Form No. AOC -2 (Please refer **Annexure A** to the Directors' Report). The Company has framed a Policy on Related Party Transactions. The web link where Policy on dealing with Related Party transactions is disclosed is <http://www.standardindustries.co/pdf/PolicyOnRelatedPartyTransactions.pdf>

**PARTICULARS OF EMPLOYEES**

The information as per Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as **Annexure B**. As per the

# STANDARD INDUSTRIES LTD.

provisions of Section 136 of the Act, the Annual Report is being sent to the Members, excluding the information on employees' remuneration particulars as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

## SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Regulation 24A of the SEBI Listing Regulations, the Company has appointed M/s. Nishant Jawasa & Associates, to undertake the Secretarial Audit of the Company.

Report of the Secretarial Auditor for the Company is annexed herewith as **Annexure C**.

## 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. Business risk evaluation and management is an ongoing process with the Company. There is no risk identified which in the opinion of the Board may threaten the existence of the Company.

## CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 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 this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) read with Schedule V of SEBI Listing Regulations, is enclosed as Annexure to this Report.

## INSURANCE

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

## AUDITORS

On the recommendation of the Audit Committee, the Board at its Meeting held on 22<sup>nd</sup> May, 2023, have proposed the appointment of M/s. R. S. Gokani & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company for a term of 5 years, i.e. from the conclusion of the 126<sup>th</sup> Annual General Meeting until the conclusion of the 131<sup>st</sup> Annual General Meeting.

The Company has also received a confirmation from M/s. R. S. Gokani & Co., Chartered Accountants, Mumbai, to the effect that they are eligible and not disqualified under section 141 of the Companies Act, 2013 and the Rules framed thereunder, for being appointed as Auditors of the Company. As required under Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

For and on behalf of the Board  
P. R. MAFATLAL  
*Chairman*  
DIN 00015361

*Mumbai*  
*Dated: 22<sup>nd</sup> May, 2023*

**ANNEXURE A TO THE DIRECTORS' REPORT**

**FORM NO. AOC – 2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis: N. A.</b>	
<b>2.</b>	<b>Details of contracts or arrangements or transactions at arm's length basis:</b>	
(a)	Name(s) of the related party and nature of relationship	Shanudeep Private Limited is the promoter of the Company. It holds 0.78% shares in the Company. The Chairman of the Company is also the shareholder and Chairman of Shanudeep Private Limited. His wife Smt. Divya P. Mafatlal, Director of the Company is also a Director of Shanudeep Private Limited, Smt. Pravina R. Mafatlal, his mother and Shri Rajanya P. Mafatlal, his son are also a Director and shareholder of Shanudeep Private Limited.
(b)	Nature of contracts/arrangements/ transactions	(i) Use of office premises on Leave and Licence (ii) Availing facilities and amenities
(c)	Duration of the contracts/ arrangements/ transactions	<b>Use of office premises on Leave and License</b> From 19 <sup>th</sup> August, 2019 to 18 <sup>th</sup> August, 2022 From 19 <sup>th</sup> August, 2022 to 18 <sup>th</sup> August, 2025 <b>Availing facilities and amenities:</b> From 21 <sup>st</sup> August, 2019 to 20 <sup>th</sup> August, 2022 From 21 <sup>st</sup> August, 2022 to 20 <sup>th</sup> August, 2025
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	(i) Use of office premises admeasuring 4500 sq. ft. at 1 <sup>st</sup> Floor and 4500 sq. ft. at 3 <sup>rd</sup> Floor of Vijjalaxmi Mafatlal Centre, 57-A, Dr. G. Desmukh Marg, Mumbai 400026 on leave and license basis at license fees of ₹ 8,10,000/- p.m. excluding applicable taxes, levies and sharing of common expenses.  (ii) Availing Facilities and Services at the aforesaid premises by paying ₹ 10,89,000/- p.m. as service charges excluding applicable taxes, levies and sharing of common expenses.
(e)	Date(s) of approval by the Board, if any:	<b>Use of office premises on Leave and License:</b> 30 <sup>th</sup> May, 2019 and 21 <sup>st</sup> June, 2021 <b>Availing facilities and amenities:</b> 30 <sup>th</sup> May, 2019 and 21 <sup>st</sup> June, 2021
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board

P. R. MAFATLAL  
Chairman  
DIN 00015361

Mumbai  
Dated: 22<sup>nd</sup> May, 2023

## ANNEXURE B TO THE DIRECTORS' REPORT

### DETAILS FOR BOARD REPORT

Information required under Section 197 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.

1. Ratio of remuneration of each Director to the Median remuneration of all the employees of your Company for the financial year 2022-2023 is as follows:

Name of the Director	Ratio of remuneration of Director to the median remuneration
D. H. Parekh, Executive Director	11.14

Notes:

- The information provided above is on standalone basis.
  - The aforesaid ratio is calculated on the basis of remuneration including Retiral Benefits for the financial year 2022-2023.
  - The Company does not pay any remuneration to its Non-Executive Directors apart from sitting fees for the Board Meetings and Committee Meetings attended by them during the Financial Year. Therefore, the above disclosure is not required for Non-Executive Directors.
2. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2022-2023:

Name	Designation	Increase %
D. H. Parekh	Executive Director	2.55
Tanaz B. Panthaki	VP (Legal) & Company Secretary	9.66
Jayantkumar R. Shah	Chief Financial Officer	5.32

\* On account of perquisite not availed during the previous year which was availed during the current year.

Notes:

- A. Remuneration to Executive Director is within the overall limits approved by the Shareholders.  
 B. The Company does not pay any remuneration to its Non-Executive Directors apart from sitting fees for the Board Meetings and Committee Meetings attended by them during the Financial Year. Therefore, the above disclosure is not required for Non-Executive Directors.
3. Percentage increase in the median remuneration of all employees in the financial year 2022-2023:

Particulars	Increase %
Median Remuneration of all employees per annum	4.23

4. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023

Particulars	Number of employees
Executive/Manager Cadre	12
Staff	—
Total	12

5. Comparison of average % increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration

Particulars	Increase %
Average salary of all employees	6.64
Key Managerial Personnel:	
Salary of Executive Director	2.55

\* Increase in remuneration of Executive Director is based on his performance and contribution to the Company.

6. It is affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.  
 7. It is hereby confirmed that there are no employees in the Company who draw remuneration in excess of Rule 5 (2) of the Companies (Appointment & Remuneration of Management Personnel) Rules 2014.

For and on behalf of the Board

P. R. MAFATLAL  
 Chairman  
 DIN 00015361

Mumbai  
 Dated: 22<sup>nd</sup> May, 2023

**ANNEXURE C TO THE DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Standard Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Standard Industries Limited** (hereinafter called the Company) for the financial year ended 31<sup>st</sup> March 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to spread of the Covid-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Share) Regulations, 2021;
  - h) The Securities and Exchange Board of India (Buy-Back of Shares) Regulations, 2018;
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, there were no actions/events in pursuance of:

- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999



# STANDARD INDUSTRIES LTD.

- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

requiring compliance thereof by the Company during the financial year.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with The Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. However, we have observed as below:

As per Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR Regulations) no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

*Mr. Khurshed Meherwanji Thanawalla, a person aged above 75 years, was appointed by the Board as a Non-Executive Independent Director of the company on 19<sup>th</sup> May, 2022. Whereas, approval of shareholders was obtained on 18<sup>th</sup> August, 2022.*

*The management of the Company has explained that Securities Appellate Tribunal, Mumbai (SAT) in its order dated 27<sup>th</sup> April, 2023 in the matter of Nectar Life Sciences Ltd. v/s SEBI and NSE has mentioned that the word "unless" depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution is a qualificatory condition for appointment of a person as a director. SAT has further stated that no penalty could have been imposed for violation of Regulation 17(1A) of the LODR Regulations.*

We further report that based on the information provided by the Company, its officer and authorized representatives during the conduct of Audit, and also review of the quarterly compliances report by respective departmental head/ Company Secretary taken on record by the Board of Directors of the Company, in our opinion adequate system and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws like labor laws.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that the Board of Directors of the Company is constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings of the Board of Directors and committees thereof all decisions were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no other specific events/action in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Nishant Jawasa & Associates  
Company Secretaries

NISHANT JAWASA  
Proprietor  
FCS No: 6557  
C. P. No.: 6993

Place: Mumbai  
Dated: 22<sup>nd</sup> May, 2023  
UDIN: F006557E000345852

**ANNEXURE A**

**To,  
The Members,  
Standard Industries Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Standard Industries Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Nishant Jawasa & Associates  
*Company Secretaries*

NISHANT JAWASA  
*Proprietor*  
FCS No: 6557  
C. P. No.: 6993

*Place: Mumbai  
Dated: 22<sup>nd</sup> May, 2023  
UDIN: F006557E000345852*



## ANNEXURE - D

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

CSR embodies the various initiatives and programme of the Company in the communities and environment in which it operates. It represents the continuing commitment and activities of the Company to constitute towards economic and social development and growth.

The Projects undertaken are within the broad framework of Schedule VII to the Companies Act, 2013. Details of the CSR Policy is available on the Company's website web link <http://www.standardindustries.co/pdf/PolicyOnCorporateSocialResponsibility.pdf>.

The provisions of the Companies Act, 2013, have made it imperative to institutionalize the CSR activities. The object of your Company's CSR is to lay down the guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company. Your Company's social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society, at large.

Your Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. The activities are healthcare, education, social welfare, medical assistance, skill development and youth empowerment, socio economic development and relief and environmental sustainability.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Pradeep R. Mafatlal	Chairman, Non- Executive Director	2	1
2	Smt. Divya P. Mafatlal	Member, Non- Executive Director	2	1
3	Shri D. H. Parekh	Member, Executive Director	2	2
4	Smt. Aziza A. Khatri (upto 14.11.2022)	Member, Independent Director	1	1
5	Shri Khurshed Thanawalla (w.e.f 14.11.2022)	Member, Independent Director	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- Composition of the CSR committee - <http://www.standardindustries.co/boarddirectors.aspx>
- CSR policy and projects- <http://www.standardindustries.co/pdf/PolicyOnCorporateSocialResponsibility.pdf>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

- Average net profit of the company as per section 135(5): ₹ 6004.93 Lakhs
  - Two percent of average net profit of the company as per section 135(5): ₹ 120.09 Lakhs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year (5b+5c-5d): ₹ 120.09 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).- ₹ 82.48 Lakhs
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable- NIL
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹ 82.48 Lakhs
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
82.48	37.74	29/04/2023	—	NIL	—

- (f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	120.09
(ii)	Total amount spent for the Financial Year	82.48
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL*

\* The Company will not carry forward any excess amount spent during the year 2022-23.

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

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Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation.	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** The Company has undertaken multi-year ongoing project due to which the Company was not able to spend full amount allocated towards the said project in the FY 2022-23. As per the provision of Section 135(6) of the Companies Act, 2013, the Company has transferred such amount to unspent CSR account which shall be used towards said project during the course of the next three financial year.

Sd/-

(P. R. Mafatlal, *Chairman CSR Committee*).  
DIN 00015361

Sd/-

(D. H. Parekh, *Executive Director*).  
DIN 00015734

Mumbai

Dated: 22<sup>nd</sup> May, 2023

## CORPORATE GOVERNANCE

### INTRODUCTION

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has been practicing principles of good Corporate Governance over the years and has been applying fair and ethical business and corporate practices and transparency in its dealings, laying emphasis on timely regulatory compliance.

The Company continuously endeavors to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its business dealings and at the same time protects the interests of all its shareholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

#### II. BOARD OF DIRECTORS

##### A. Composition and category of Directors during the financial Year 2022-23 is follows:

Name of Directors	Category Executive/ Non-Executive/ Independent	No. of Board Meetings attended during financial year 2022-2023	Whether attended AGM held on 18 <sup>th</sup> August, 2022	No. of other Directorships and Committee Memberships	
				Other Directorships (including Private Companies)	Other Committee Memberships**
Shri Pradeep R. Mafatlal Chairman DIN - 00015361	Promoter Non-Executive	4	No	9*	1
Smt. Divya P. Mafatlal DIN- 00011525	Promoter Non-Executive	4	No	6	—
Shri D. H. Parekh DIN - 00015734	Executive Director	4	Yes	4	—
Shri Shobhan Diwanji DIN - 01667803	Non-Executive & Independent	4	No	1	1(1)
Ms. Aziza A. Khatri (Upto 28.11.22) DIN - 03470976	Non-Executive & Independent	3	Yes	2	2(2)
Shri Tashwinder Singh DIN - 06572282	Non-Executive & Independent	4	No	5	1(1)
Shri Khurshed Thanawalla DIN - 00201749 (Appointed on 19.05.2022)	Non-Executive & Independent	4	No	13	3(2)

\* Including Foreign Companies.

\*\* Figure in brackets indicate Committee Chairmanships. In the above table, we have disclosed the chairmanship and membership of the Audit committee and the Stakeholders' Relationship Committee only.

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

**Note:** Relationship between Directors.

Smt. Divya P. Mafatlal is the wife of Shri Pradeep R. Mafatlal, Chairman of the Company. Apart from her, none of the Directors are inter se related to each other.

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## B. Names of other Directorships in Listed Entities during the Financial Year 2022-23 as follows:

Name of Directors	Names of other Directorships in Listed Entities	
	Name of Listed Company	Category
Shri Pradeep R. Mafatlal	Stanrose Mafatlal Investments & Finance Limited	Promoter Non-Executive Non Independent Director
Smt. Divya P. Mafatlal	—	—
Shri Shoban Diwanji	Swan Energy Limited	Independent Director
Shri D. H. Parekh	Stanrose Mafatlal Investments & Finance Limited	Non Independent Director
Ms. Aziza A. Khatri (Upto 28.11.2022)	Stanrose Mafatlal Investments & Finance Limited	Independent Director
Shri Tashwinder Singh	NRB Bearings Limited Niyogin Fintech Ltd.	Independent Director Managing Director
Shri khurshed Thanawalla (appointed on 19.5.2022)	Stovec Industries Ltd	Independent Director

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

Four Board Meetings were held during the Financial Year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023. The dates of such Board Meetings are 19.5.22, 12.8.22, 14.11.22 and 6.2.2023.

## D. Familiarization programme for Independent Directors:

The Independent Directors have been familiarized with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. During FY 2022-23, Independent Directors were taken through various aspects of the Company's business and operations. The details of familiarization programmes imparted to the Independent Directors during FY 2022-23 are put up on the website of the Company and can be accessed at <http://www.standardindustries.co/pdf/FamiliarizationProgrammeforIndependentDirectors.pdf>

## E. The following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- Knowledge - understand the Company's business, policies, culture and knowledge of the industry in which the Company operates.
- Strategic thinking and decision making.
- Financial Skills.
- Technical/Professional skills and specialized knowledge to business.

The Board of the Company consist of members having diverse expertise, skills and experience. In terms of the requirement of the SEBI Listing Regulations, the Board has identified the core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

Particulars	Pradeep R. Mafatlal	Divya P. Mafatlal	D. H. Parekh	Shobhan Diwanji	Aziza Khatri**	Tashwinder Singh	Khurshed Thanawalla*
Knowledge	√	√	√	√	√	√	√
Strategic thinking and decision making	√	√	√	√	√	√	√
Financial Skills	√	—	√	√	√	√	√
Technical/ Professional skills and specialized knowledge to business	√	√	√	√	√	√	√

\* appointed w.e.f. 19.5.2022

\*\* upto 28.11.2022

F. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**G. 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. A copy of the Code has been put on the Company's website i.e. <http://www.standardindustries.co/pdf/CodeOfConductForBoardOfDirectors&SeniorManagement.pdf>

**III. AUDIT COMMITTEE**

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

Ms. Aziza A. Khatri (Upto 14.11.2022)	Chairperson
Shri Khurshed Thanawalla (w.e.f. 14.11.2022)	Chairman
Shri D. H. Parekh	Member
Shri Shobhan Diwanji	Member

The Vice President (Legal) & Company Secretary acts as a Secretary to the Committee. Shri P. R. Mafatlal, Chairman, Shri Jayant kumar R. Shah, CFO, 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 Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations 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. Modified opinion(s) in the draft audit report

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

- 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 31<sup>st</sup> March, 2023 the Audit Committee met four times, viz. on 19.5.2022, 12.8.2022, 14.11.2022 and 6.2.2023. Attendance during the Financial Year is as under:

Members	Meetings attended
Ms. Aziza A. Khatri Chairperson (Upto 14.11.2022)	3
Shri Khurshed Thanawalla Chairman (w.e.f. 14.11.2022)	1
Shri D. H. Parekh	4
Shri Shobhan Diwanji	4

#### IV. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee constituted by the Board of Directors of the Company comprises the following Non-Executive Directors:

Ms. Aziza A. Khatri (Upto 14.11.2022)	Chairperson
Shri Khurshed Thanawalla (w.e.f. 14.11.2022)	Chairman
Shri Shobhan Diwanji	Member
Smt. Divya P. Mafatlal	Member

The terms of reference of the Nomination & Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act 2013 & Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, besides other terms as may be referred to by the Board of Directors and inter alia include the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- d) To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an

employee of the Company subject to the provision of the law and their service contract.

- f) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- i) specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- j) Determining the appropriate size, diversity and composition of the Board and to devise a policy on Board diversity
- k) To assist the Board in ensuring that succession plans are in place for appointment to the Board.
- i) Ensuring that there is an appropriate induction & training programme in place for new Directors and reviewing its effectiveness.
- m) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates

The aforesaid Nomination and Remuneration Committee met once during the Financial Year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023, viz. on 19.5.2022 attendance during the Financial Year is as under:

Members	Meetings attended
Ms. Aziza A. Khatri Chairperson (Upto 14.11.2022)	1
Shri Khurshed Thanawalla Chairman (w.e.f. 14.11.2022)	—
Shri Shobhan Diwanji	1
Smt. Divya P. Mafatlal	1

The Nomination & Remuneration Committee approved and recommended a revised Nomination & Remuneration Policy to the Board, which was adopted and effective from 8<sup>th</sup> February, 2022. The revised policy and charter are available on the Company's website at <http://www.standardindustries.co/pdf/Nomination&RemunerationPolicy.pdf>

#### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, the Board, based on recommendations of the Nomination and Remuneration Committee, has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Board Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance at the meetings, professional conduct, participation and contribution, independence of judgment safeguarding the interest of the Company and its stakeholders including minority shareholder, etc. Performance evaluation of Executive Director was carried out on parameters such as contribution towards strategic planning, compliance and governance, rewards and recognition, leadership, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### V. REMUNERATION OF DIRECTORS

Payment of remuneration to Shri D. H. Parekh, Executive Director is as per the terms of his appointment. The terms of his appointment were approved by the Nomination & Remuneration Committee, the Board and the shareholders in the year 2020 for a period of three years. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation, Gratuity and insurance.

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

Name of the Director	Salary	Perquisites	Contributions*	Personal Accident & Medical Insurance	Total
Shri D. H. Parekh	60,00,000	30,30,524	21,20,000	1,55,647	1,13,06,171

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

#### DIRECTORS' REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

Name of the Directors	Remuneration paid during April, 2022 to March, 2023			No. of shares held as on 31 <sup>st</sup> March, 2023
	Sitting Fees (₹)	Salary & Perks (₹)	Total (₹)	
Shri Pradeep R. Mafatlal, Chairman	1,40,000	—	1,40,000	13555
Smt. Divya P. Mafatlal	1,00,000	—	1,00,000	Nil
Shri Shobhan Diwanji	2,00,000	—	2,00,000	Nil
Ms. Aziza A. Khatri	1,80,000	—	1,80,000	Nil
Shri Tashwinder Singh	1,20,000	—	1,20,000	Nil
Shri. Khurshed Thanawalla	1,20,000	—	1,20,000	Nil
Shri D.H.Parekh	—	1,13,06,171	1,13,06,171	100
<b>TOTAL</b>	<b>860000</b>	<b>1,13,06,171</b>	<b>1,21,66,171</b>	<b>13655</b>

The Company has not paid any remuneration to its Non-Executive Directors, apart from Sitting Fees for the Board Meetings and Committee Meetings attended by them during the year. The Company does not have any other pecuniary relationship or transaction with Non Executive director during the year under review. Executive Director is paid fixed component of remuneration. No performance linked incentives have been paid or is payable to Directors for the year under review. The Company does not have any outstanding convertible instruments, accordingly, question of non-executive directors holding the same does not arise.

#### Service contracts, notice period, severance fees:

The appointment of the Executive Director is governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company.

A separate Service Contract is not entered into by the Company with Executive Directors.

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. No severance fee is payable to any Director.

**Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**



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The Company has not issued any stock options to directors/employees.

## VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee constituted by the Board of Directors of the Company comprises the following Directors:

Ms. Aziza A. Khatri (upto 14.11.2022)	Chairperson
Shri Khurshed Thanawalla (W.e.f. 14.11.2022)	Chairman
Shri. Pradeep R. Mafatlal	Member
Shri D. H. Parekh	Member

The roles & responsibilities of the Stakeholders' Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The Stakeholders' Relationship Committee deals with matters relating to shareholders/investors grievances viz. non-receipt of Annual Reports, non-receipt of declared Dividend and its redressal, etc.

The Vice President(Legal) and Company Secretary acts as Company Secretary to the meetings of the Stakeholders relationship Committee.

During the Financial Year ended 31<sup>st</sup> March, 2023, the aforesaid Committee met three times, viz. on 19.5.2022, 14.11.2022 and 6.2.2023

Members	Meetings attended
Ms. Aziza Khatri Chairperson (Upto 14.11.2022)	2
Shri Khurshed Thanawalla Chairman (w.e.f. 14.11.2022)	1
Shri Pradeep R. Mafatlal	3
Shri D. H. Parekh	3

Name and designation of the Compliance Officer	Smt. T. B. Panthaki, Vice President (Legal) & Company Secretary
Number of Shareholders' Complaints received during the financial year 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023	5
Number of complaints not resolved to the satisfaction of shareholders.	NIL
Number of pending share Transfers/complaints	NIL

### Prohibition of Insider Trading:

With a view to regulate trading in securities by the directors and designated employees, the Company

has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT) Regulation. The Company had adopted a revised code of Fair Disclosure Code as required under the amended Regulation 8 of SEBI PIT Regulation, inter alia, containing a policy on Legitimate Purpose. Further, the Company has also approved and adopted a revised Code to Monitor, Regulate and Report trading by its designated persons and immediate relatives of designated persons pursuant to the amended Regulation 9 of SEBI PIT Regulation towards achieving compliance with the SEBI PIT Regulation and adopting the minimum standards set out in relevant Schedule to SEBI PIT Regulation and the same was effective from 1<sup>st</sup> April, 2019.

## OTHER BOARD COMMITTEES:

### A. INVESTMENT COMMITTEE

The Investment Committee comprises the following two Directors:

Shri Pradeep R. Mafatlal	Chairman
Shri Tashwinder Singh	Member

During the year under review the said committee met once on 19.5.2022.

### B. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR Committee consists of the following Directors:

Shri Pradeep R. Mafatlal	Chairman
Smt. Divya P. Mafatlal	Member
Shri D. H. Parekh	Member
Ms. Aziza A. Khatri (upto 14.11.2022)	Member
Shri Khurshed Thanawalla (w.e.f. 14.11.2022)	Member

During the year under review the said committee has met twice on 22.7.2022 and 6.2.2023.

The role CSR of the Committee is in accordance with the requirements mandated under Section 135 of the Companies Act, 2013 *inter alia* include the following:

- Formulate and recommend the CSR policy to the Board;
- Recommendation of the project/ programme to be undertaken within the long term vision and strategy of the Company in respect of CSR activities, amount of expenditure to be incurred and type of activities;
- Monitor the Company's CSR policy and performance from time to time to ensure the Company meets with the CSR requirements;

- d) All projects undertaken by the Company shall be approved/ratified by the CSR Committee.
- e) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy and recommending any alteration in annual action plan, if any, to the Board.
- f) To ensure compliance of CSR provisions as required under the Act and Rules made thereunder.
- g) To carry out any other roles and responsibilities as mandated by the Board from time to time and/or enforced by any statutory authority including any modification or amendment as may be applicable

**C. INDEPENDENT DIRECTORS'**

The Independent Directors' comprises the following Directors:

Shri Shobhan Diwanji	Member
Ms. Aziza A Khatri (upto 28.11.2022)	Member
Shri Khurshed Thanawalla (w.e.f. 19.05.2022)	Member
Shri Tashwinder Singh	Member

The Independent Directors met on 6.2.2023, *inter-alia*, to consider

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of the Chairman of the Company.
- Assessing the quality, quantity and timeliness of flow of information.

**D. RISK ASSESSMENT POLICY:**

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 procedure. Business risk evaluation and management is an ongoing process with the Company.

**VII. GENERAL BODY MEETINGS:**

**A. Location and time where the last three Annual General Meeting (AGM) were held:**

Year	AGM Location	Date and Time
2021-22	AGM was held through VC/OAVM	18.8.2022 AT 3.00 p.m.
2020-21	AGM was held through VC/OAVM	4.9.2021 At 3.00 p.m.
2019-2020	AGM was held through VC/OAVM	10.9.2020 At 3.00 p.m.

**B. Whether any Special Resolutions were passed in the previous 3 Annual General Meetings:**

Year	Special Resolutions
2021-22	<ul style="list-style-type: none"> <li>i) Approval of the members to pay remuneration by way of commission to be paid collectively to all Non-Executive Directors (NEDs) at a sum not exceeding 1% of the Company's net profits as calculated under Section 198 of the Companies Act 2013 from 1<sup>st</sup> October 2022 for a period of 5 years.</li> <li>ii) Appointment of Shri Khurshed Thanawalla (DIN00201749) as Non-Executive Independent Director under Regulation 17 of SEBI Listing Regulations for a term of 5 years from 19<sup>th</sup> May, 2022 to 18<sup>th</sup> May, 2027.</li> <li>iii) Reappointment and continuation of Shri Tashwinder Singh (DIN06572282) as Non-Executive Independent Director under Regulation 17 of SEBI Listing Regulations, for a term of 5 years from 10<sup>th</sup> February, 2023 to 9<sup>th</sup> February, 2028.</li> <li>iv) Approval of the members i) to divest by way of sale, transfer, or otherwise dispose off the entire investment or any substantial part thereof held in the Company's wholly owned subsidiaries viz. Standard Salt Works Ltd. ("SSWL") and/or Mafatlal Enterprises Ltd. ("MEL") ii) for disposal of all assents or any part thereof of SSWL and /or MEL, with other integrated facilities and immovable properties if any attached thereto, with or without associated liabilities, by way of asset sale, slump sale or any other manner in one or more tranches to any strategic partner/investor/buyer within such period not exceeding 5 years from the date of approval of this Resolution by the members, at a price not less than the fair value to be determined by Independent Registered Valuer/Merchant Banker/Practicing Chartered Account.</li> </ul>
2020-21	<ul style="list-style-type: none"> <li>i) Reappointment and Continuation of Ms. Aziza A. Khatri (DIN 03470976) as Non-Executive Independent Director under Regulation 17 of SEBI Listing Regulations, for a term of 1 year from 29<sup>th</sup> November, 2021 to 28<sup>th</sup> November, 2022.</li> </ul>

# STANDARD INDUSTRIES LTD.

Year	Special Resolutions
2019-20	<p>i) Re-appointment of Shri D.H. Parekh (DIN 00015734), as Executive Director of the Company for a period of 3 years commencing from 2<sup>nd</sup> August, 2020.</p> <p>ii) Approval of member (i) to divest by way of sale, transfer or otherwise dispose off the entire investment or any substantial part thereof held in the Company's wholly owned subsidiaries viz. Standard Salt Works Ltd. ("SSWL") and/or Mafatal Enterprises Ltd. ("MEL"), (ii) for disposal of all the assets or any part thereof of SSWL and/ or MEL, with other integrated facilities and immovable/movable properties, if any attached thereto, with or without associated liabilities, by way of asset sale, slump sale or in any other manner in one or more tranches to any strategic partner/ investor/buyer within such period not exceeding 24 months from the date of approval of this Resolution by the members, at a price not less than the fair value to be determined by Independent Registered Valuer/ Merchant Banker/Practicing Chartered Accountant.</p>

**C. Whether any 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.

**D. Person who conducted the postal ballot exercise:**

Not Applicable

**E. Whether any special resolution is proposed to be conducted through postal ballot:**

At present there is no proposal to pass any special resolution through postal ballot.

**F. Procedure for postal ballot:**

Not Applicable

## VIII. MEANS OF COMMUNICATION

**A. Quarterly Results/Annual Results:**

The Board of Directors of the Company approves and takes on record the consolidated 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.

**B. Newspapers wherein results normally published:**

The quarterly results/annual results are generally published in The Free Press Journal (English) and Navshakti (Marathi).

**C. Any website, where displayed:**

The quarterly results/ annual results of the Company are put on the website of the Company i.e <http://www.standardindustries.co> after these are submitted to the Stock Exchanges.

**D. Presentations made to institutional investors or to the analysts: None**

## IX. GENERAL SHAREHOLDERS' INFORMATION

**A. Annual General Meeting**

**Date, Time & Venue**

To be held on Tuesday, the 1<sup>st</sup> August, 2023 at 3.00 pm. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) and the venue shall be deemed to be the Registered Office of the Company at Harsh Apartment, Flat No. 1, Ground Floor, Plot No.211, Sector 28, Vashi Navi Mumbai-400703.

**Financial year** – 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

**B. Financial Calendar (tentative)**

Financial Reporting for the Quarter ended 30<sup>th</sup> June, 2023      Mid August, 2023

Financial Reporting for the Quarter ended 30<sup>th</sup> September, 2023      Mid November, 2023

Financial Reporting for the Quarter ended 31<sup>st</sup> December, 2023      Mid February, 2024

Financial Reporting for the year ending 31<sup>st</sup> March, 2024      End of May, 2024

Annual General Meeting for the year ending 31<sup>st</sup> March, 2024      August/September, 2024

**C. Record date for Final Dividend - 25<sup>th</sup> July, 2023**

**D. Final Dividend Payment Date -**  
23<sup>rd</sup> August, 2023

**E. Name and address of each Stock Exchange at which Company's Shares are listed.** BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Limited  
Exchange Plaza,  
5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051

**Listing Fees:**

The Company has paid Listing Fees to the above Stock Exchanges upto 31<sup>st</sup> March, 2024.

**F. Stock Code:** BSE – 530017  
NSE – SIL

**Demat ISIN Numbers in NSDL & CDSL for Equity Shares.** INE173A01025

**G. Stock Market Data -** Please see Annexure “1”

**H. Stock performance -** Please see Annexure “2”

**I. Registrar & Share Transfer Agents (R & STA)** **Corporate Office:**  
KFin Technologies Limited  
Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032.  
Tel. No. +91 40 6716 2222  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Mumbai Front Office:**  
KFin Technologies Limited  
24-B, Raja Bahadur Mansion,  
Ground Floor, Ambalal Doshi Marg,  
Behind BSE, Fort,  
Mumbai – 400 023.  
Tel. No. +91 22 6623 5454/412/427  
All documents, demat requests and other communication in relation thereto should be addressed to the R & STA at the above address.

**J. Share Transfer System** In terms of Regulation 40 of Listing Regulations, as amended, shares of the Company can be transferred only in dematerialised form. Further, with effect from 24<sup>th</sup> January, 2022, Listed Companies shall issue securities in dematerialised mode only while processing any investor service request in respect of issuance of duplicate share certificates, exchange/sub-division/split/consolidation/transmission/transposition of securities. Accordingly, members who hold shares in physical form are requested to fill the ISR forms along with necessary documents to be sent to the Registrar and Share Transfer Agents, KFin Technologies Limited.

**K. (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2023.**

No. of Equity Shares held To	From	No. of Share-holders	No. of Shares held	% Share-holding
1	500	42388	4432125	6.89
501	1000	2968	2445999	3.80
1001	2000	1511	2338453	3.64
2001	3000	524	1348439	2.10
3001	4000	271	981507	1.53
4001	5000	232	1103973	1.71
5001	10000	363	2751555	4.28
10001	& above	300	48926890	76.05
Total		48557*	64328941	100.00

\* The total no of shareholders as on 31<sup>st</sup> March, 2023 is 48,557 and based on PAN is 47,377. There will be a difference in the number of Shareholders, since shareholders can have multiple demat accounts under a single PAN.

**(ii) Categories of Shareholding as on 31<sup>st</sup> March, 2023.**

Categories	No. of Share-holders	No. of Shares held	% Share-holding
Promoters/Group			
Companies	7	13063698	20.31
Mutual Funds	11	66459	0.10
Banks	12	40338	0.06
Insurance			
Companies	7	2556242	3.97
NBFC	2	272	0.00
IEPF	1	666450	1.04
Resident			
Individuals	46226	2062153368	32.06
NRIs	416	533684	0.83
Foreign Direct			
Investment(FDI)	1	25000000	38.86
Bodies Corporates	194	873830	1.37
Clearing Members	11	15117	0.02
Trusts	6	15569	0.02
HUF	483	875408	1.36
Total	47377*	64328941	100.00

# STANDARD INDUSTRIES LTD.

\* The total no of shareholders as on 31<sup>st</sup> March, 2023 is 48,557 and based on PAN is 47,377. There will be a difference in the number of Shareholders, since shareholders can have multiple demat accounts under a single PAN.

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

59.18% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2023. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 8th May, 2000, as per notification issued by SEBI. All shares held by Promoters/Promoter Group Companies have been dematerialised.

**M. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** None

**N. Plant Location:**

The Company does not have any manufacturing activity and the Company does not have any plant.

**O. Address for Correspondence:**

**(i) Investor correspondence of dematerialisation of shares and any other query relating to shares of the Company:**

**For Shares held in Physical Form**

**Corporate Office:**

M/s. KFin Technologies Limited  
Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad, Telangana – 500 032.  
Tel. No. +91 40 6716 2222  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Mumbai Front Office:**

M/s. KFin Technologies Limited  
24-B, Raja Bahadur Mansion,  
Ground Floor,  
Ambalal Doshi Marg,  
Behind BSE, Fort, Mumbai – 400 023.  
Tel. No. +91 22 6623 5454/412/427

**For Shares held in Dematerialised Form**

To the Depository Participant

**(ii) Any query on Annual Report:**

Standard Industries Limited,  
Secretarial Department,  
Flat No. 1, Ground Floor,  
Harsh Apartment, Plot No. 211,  
Sector-28, Vashi Navi Mumbai,  
Thane 400703.  
Tel. No.: +91 22 2766 0004  
E-mail ID: [standardgrievances@rediffmail.com](mailto:standardgrievances@rediffmail.com)

**P. KPRISM – Mobile service application by KFin Technologies Limited.** Members are requested to note that the Company's Registrar and Share Transfer Agent has launched a new mobile app KPRISM and a website <https://kprism.kfintech.com/> for the members holding shares in physical form. Now members can download the mobile app and see their portfolios serviced by KFin Technologies Limited and can check their dividend status; request for annual reports, register change of address; register change in the bank account or update the bank mandate; and download the standard forms. This android mobile application can be downloaded from the play store.

**Q. List of credit ratings obtained by the Company along with any revision thereto during the financial year 2022-2023 for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:** None

**R. 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 ISR forms and send the same to KFin Technologies Limited, at their Corporate Office, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032.

**S. OTHER DISCLOSURE**

1. All transactions entered into with related parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations.

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. 40 to the 'Notes on Accounts' annexed to the Financial Statements for the year under review.

**2. Compliance by the Company:**

The Company has complied with all the requirements of the SEBI Listing Regulations as well as the regulations and guidelines of SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years except penalties imposed by the National Stock Exchange of India Ltd. and BSE Ltd. for non-compliance under Regulation 17(1A) of the SEBI(LODR) regulations, 2015, during the period from 19<sup>th</sup> May, 2022 to 17<sup>th</sup> August, 2022, which was subsequently complied with.

**3. Whistle Blower Policy**

The Company has formulated a Vigil Mechanism/ Whistle Blower Policy with a view to provide a mechanism for Directors and employees to approach the Audit Committee or any member of Audit Committee.

The web link where the Policy dealing with Vigil Mechanism/ Whistle Blower is disclosed is <http://www.standardindustries.co/pdf/WhistleBlowerPolicy.pdf>.

**4. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations**

The following discretionary requirements have been adopted by the Company:

- (a) There are no modified opinions in Audit Report.
- (b) The Company has appointed separate persons to the posts of Chairman and Executive Director.
- (c) The Internal Auditors report directly to the Audit Committee.

**5. The policy for determining 'Material' subsidiaries is available on web link <http://www.standardindustries.co/pdf/PolicyForDeterminingMaterialSubsidiaries.pdf>**

**6. The Company has framed a Policy on Related Party transactions. The web link where the Policy dealing with Related Party transaction is disclosed is <http://www.standardindustries.co/pdf/PolicyOnRelatedPartyTransactions.pdf>**

**7. Disclosure for Commodity price risks and commodity hedging activities: None**

**8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**

Not Applicable

**9. Certificate from M/s Nishant Jawaas & Co, Practicing Company Secretary confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority forms part of the Annual Report.**

**10. There was no such instance during FY 2022-23 when the board had not accepted any recommendation of any committee of the Board.**

**11. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is given below:**

(₹ In lakhs)

Payment to Statutory Auditor	FY 2022-2023
Statutory Audit Fees	6.80
Other Services including reimbursement of expenses	8.20
<b>Total</b>	<b>15.00</b>

**12. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: None**

**13. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: None**

**T. Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

There have been no complaints received during the financial year.



# STANDARD INDUSTRIES LTD.

- U. Disclosure with respect to demat suspense account/unclaimed suspense account: Not Applicable
- V. The Management Discussion & Analysis Report forms part of the Annual Report.
- W. **Certificate on Corporate Governance:** A Compliance certificate from Statutory Auditors pursuant to Schedule V of the SEBI Listing Regulations regarding compliance of conditions of corporate governance. The said certificate forms an integral part of the Annual Report.
- X. **Non-compliance of any requirement of corporate governance report with reasons thereof:** None
- XI. **THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)**

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	N.A.
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) &(3)	Composition of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes



<b>Sr. No.</b>	<b>Particulars</b>	<b>Regulations</b>	<b>Brief Descriptions of the Regulations</b>	<b>Compliance Status (Yes/No/N.A.)</b>
7	Related Party Transaction	23(1),(5),(6),(7) &(8)	Policy for Related Party Transaction	Yes
		23(2)	Approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(3)	Approval of omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	N.A.
		23(4)	Approval for Material Related Party Transactions.	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(2A)	Appointment/reappointment or removal of Independent Director	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11	Other Corporate	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarisation programmes imparted to Independent Directors	Yes

# STANDARD INDUSTRIES LTD.

## CERTIFICATE RELATING TO NON-DISQUALIFICATION OF DIRECTORS

To,

The Members,  
**Standard Industries Limited**

We have examined the register records, books and papers of **Standard Industries Limited (the Company)** having CIN: L17110MH1892PLC000089 as particularly required to be maintained under the Companies Act, 2013, (the Act) and the rules made thereunder. In our opinion, and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we hereby certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

For Nishant Jawaasa & Associates  
Company Secretaries

Nishant Jawaasa  
(Proprietor)  
M.No. F6557

UDIN: F006557E000380139

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

### 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
Apr-22	17.50	17.50	12.47	12.35	6511280	715614	65.11	116.29
May-22	23.35	22.90	14.35	14.50	91103268	1550998	911.03	318.87
Jun-22	41.50	40.80	22.30	22.60	273406405	5892684	2734.06	1880.88
Jul-22	27.65	27.75	20.90	20.90	44482317	3996117	444.82	966.97
Aug-22	26.22	26.35	20.75	20.65	35691042	3204705	356.91	736.19
Sep-22	25.70	25.60	20.95	20.70	30332506	2830101	303.33	657.45
Oct-22	29.85	29.80	21.70	21.65	24447904	1444641	244.48	350.96
Nov-22	31.30	31.25	25.40	25.15	44289236	4071122	442.89	1135.26
Dec-22	37.70	38.60	26.75	27.10	44424400	4832422	444.24	1554.62
Jan-23	38.00	37.90	30.05	30.05	30814770	2413093	308.15	820.11
Feb-23	32.75	32.75	27.75	27.55	22768266	1410159	227.68	427.05
Mar-23	31.20	31.20	23.81	23.85	11905690	1320016	119.06	371.42

**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 31<sup>st</sup> March, 2023.

Period	Share price	Sensex	Relative to Sensex
01.04.2022 to 31.03.2023	+107.37%	-0.72%	+108.09%

(b) SIL share price performance relative to NSE Nifty based on share price on 31<sup>st</sup> March, 2023.

Period	Share price	Nifty	Relative to Nifty
01.04.2022 to 31.03.2023	108.10%	-0.45%	+108.55%

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

To,

The Members,  
**Standard Industries Limited**

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors and Senior Management.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2023, 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  
DIN 00015734

*Place: Mumbai*  
*Dated: 22<sup>nd</sup> May, 2023*

# STANDARD INDUSTRIES LTD.

## Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Members

#### Standard Industries Limited

Flat No. 1, Ground Floor

Harsh Apartment, Plot No. 211

Sector 28, Vashi

Navi Mumbai 400 703.

1. The Corporate Governance Report prepared by **Standard Industries Limited** ("the Company"), contains details as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. This Certificate is required by the Company for annual submission to the stock exchange and to be sent to the shareholders of the Company.

### Management's Responsibility

2. The Preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This Responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. Pursuant to the requirements of the Listing Regulations, it is our – responsibility to provide a reasonable assurance whether the Company has complied with the conditions of the Corporate Governance as stipulated in the Listing Regulations for the year ended 31<sup>st</sup> March, 2023.
6. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
9. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

**Opinion**

10. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2023 referred to in paragraph 1 above.

**Other matters and Restriction on Use**

11. This Certificate 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.
12. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling the Company to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this Certificate.

For Arunkumar K. Shah & Co.  
Chartered Accountants  
Firm Registration No. 126935W

Arunkumar K. Shah  
Proprietor  
Membership No. 034606

Place: Mumbai

Date: 22<sup>nd</sup> May, 2023

UDIN 23034606BGPLJN6155

## MANAGEMENT DISCUSSION AND ANALYSIS

### TRADING DIVISION

For the Financial Year April, 2022 to March, 2023 under review, the Company has achieved a textile trading turnover of ₹ 1567.65 lakhs in comparison with ₹ 807.01 for the previous financial year.

We have recovered lost ground of uniform business which was badly affected by pandemic situation in earlier years. We shall be introducing new product line such as prints / 2x2 Rubia etc., in the near future.

### PROPERTY DIVISION & OUTLOOK

The Standard Mills Company Limited was incorporated in India 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 The Standard Mills Company Limited to Standard Industries Limited, ('the Company') in October 1989. The Company also has a Property Division which comprises of assets which are in excess of business needs, which the Company would liquidate based on market conditions.

### INDUSTRY OVERVIEW

The real estate sector has witnessed a healthy increase in demand over the last two years and we clearly see the end-user consumption led momentum continuing. The market share of reputed brands increased due to a clear preference from the home-buyers.

In spite of the economic slowdowns, the residential segment of the Real Estate Sector has been resilient to perform, progress and prosper.

In the commercial segment, we see that employees are coming back to their desks for work and there is renewed interest from corporates to consolidate and expand their existing office spaces.

With the pandemic easing out, the retail business has made a commendable comeback and has bounced back much faster than what was anticipated.

### STRENGTHS

The Company is optimistic in Textile trading, as our main strength is brand image.

India's real estate sector is witnessing a healthy increase in demand and this momentum is expected to hold. From commercial spaces to the residential market, the overall market outlook is a bright one for the real estate industry.

According to Savills India, real estate demand for data centres are expected to increase by 15-18 million Sq.ft. by 2025.

### RISKS AND CONCERNS

The Textile Industry has been adversely affected because of the worldwide pandemic situation.

Due to the pandemic's tail-end, interest rate hikes, job losses, a sluggish economy has been taking place to slow things down. Affordable housing could be sluggish in the face of a slow and cautious economy and general increases in realty costs are attributable to rising prices of raw material.

### OPPORTUNITIES & CHALLENGES

The Company largely benefits from its strong brand name. Our Textiles brand sees enormous opportunities in product and design innovations to address the changing performances of customers.

The Government of India has been supportive towards the Real Estate Sector. The Union Cabinet has approved 100 Smart City Projects in India. The Government has also raised FDI (Foreign Director Investments) limits for Townships and settlements development projects to 100%. The shares of top listed developers in Indian residential market is expected to increase in the Financial Year 2024 driven by a strong pipeline for residential project launch.

The challenges, however, would be unanticipated delays in project approvals, concerns due to after effects of pandemic situation, increased cost of manpower, unavailability of trained labour force, rising cost of construction and over regulated environment.

### 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.

### INTERNAL CONTROL SYSTEMS & ADEQUACIES

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.

**HUMAN RESOURCES**

As on 31<sup>st</sup> March, 2023, the employees’ strength (on permanent roll) of the Company was 12.

**FINANCIAL STATEMENT ANALYSIS**

In accordance with SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2015, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

**The Company has identified the following ratios as key financial ratios:**

Particulars	Note no. of Standalone Financial Results	Year ended March 31, 2023	Year ended March 31, 2022
Return on Equity Ratio	43b	0.10	1.78
Inventory Turnover Ratio	43c	—	4.07
Trade Receivables Turnover Ratio	43d	0.73	49.27
Net Capital Turnover Ratio	43f	0.17	7.45
Net Profit Ratio (%)	43g	140%	51%
Debt Service Coverage Ratio	43j	3.15	5.97

**Ratios where there has been a significant change from year ended March 31, 2022 to year ended March 31, 2023**

1. Return on Equity Ratio : Net profit after tax divided by average equity. The ratio decreases from 1.78 in FY 21-22 to 0.10 in FY 22-23 mainly on account of reduction in revenue on account of revenue recognized on assignment of leasehold land during the year ended 31<sup>st</sup> March, 2022.

2. Inventory Turnover Ratio : Cost of materials consumed divided by average inventory. As there is no closing inventory as at 31<sup>st</sup> March, 2023, this ratio is not comparable.
3. Trade Receivables Turnover Ratio: Credit Sales divided by average trade receivables. This ratio is not comparable as previous year Sales includes Assignment of Leasehold Rights under Revenue from operations.
4. Net Capital Turnover Ratio: Sales divided by Net Working Capital. The Ratio changes from 7.45 in FY 21-22 to 0.17 in FY 22-23, mainly on account of revenue recognized on account of assignment of leasehold land and its corresponding impact in net working capital in previous year. Additionally the period of borrowing has been extended, therefore, the borrowing becomes non-current borrowing as compared to previous year.
5. Net Profit Ratio : Net profit before tax divided by Sales. This ratio is not comparable as previous year profit includes Assignment of leasehold Rights under Revenue from operations.
6. Debt Service Coverage Ratio : Earnings available for debt services divided by total interest and principal repayment. The ratio increases from 5.97 in FY 21-22 to 3.15 in FY 22-23 mainly on account of increase in profit on account of revenue recognized on assignment of leasehold land and also repayment of borrowing during the year ended 31<sup>st</sup> March, 2022.

**THE DETAILS OF RETURN ON NET WORTH ARE GIVEN BELOW:**

Particulars	Note No. of Standalone Financial Results	Year ended March 31, 2023	Year ended March 31, 2022
Return on Net Worth	43b	0.10	1.78

Return on net worth is net profit after tax divided by average equity. The ratio decreases from 1.78 in FY 21-22 to 0.10 in FY 22-23 mainly on account of reduction in revenue on account of revenue recognized on assignment of leasehold land during the year ended 31<sup>st</sup> March, 2022.



# STANDARD INDUSTRIES LTD.

## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF STANDARD INDUSTRIES LIMITED

Report on the Standalone IND AS Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of STANDARD INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including other comprehensive profit, the Statement of cash flows and the Statement for changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone IND AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, the net profit and total comprehensive profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters as follows :-

The Key Audit Matters	How the matter was addressed in our Audit
<b>a. Adoption of Ind AS 115 – Revenue From Contracts with Customer</b>	
As described in Note No. (2.4) & Note No. (27) To the standalone financial statements, The company adopted Ind AS 115 - Revenue from Contracts with Customers which is a new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.	We Assessed the company's process to identify the impact of adoption of the new accounting standard. Our Audit Approach consisted testing of design and operating effectiveness of the internal controls and substantive testing as follows : <ul style="list-style-type: none"><li>Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variances and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.</li><li>Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts</li></ul>
<b>b. Diminution in Value of Investment in Subsidiary Company</b>	
We draw Attention to Note No. (47) of financial statements regarding Investment in subsidiary company – Standard Salt Works Limited.	We assessed that in view of the long term strategic nature of the Investment in lease hold rights to salt pans and growth prospect of subsidiary business, no provision for diminution in value of Investment is considered necessary at this stage.

The Key Audit Matters	How the matter was addressed in our Audit
<b>c. Evaluation of Uncertain Tax Positions</b>	
<p>The company has material uncertain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes,</p> <p>Refer Note No. (41) of the financial statements</p>	<ul style="list-style-type: none"> <li>• We obtained details of completed tax assessments and demands upto the year ended March 31, 2023 from management.</li> <li>• We discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions and;</li> <li>• Assessed management’s estimate to the possible outcome of the disputed cases.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance inclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive profit, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company’s financial reporting process.

**Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit .We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting

# STANDARD INDUSTRIES LTD.

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) Balance Sheet, the Statement of Profit and Loss (including other comprehensive profit), change in equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigation on its financial position in its standalone Ind AS financial statements refer note no (41) to the financial statements.
  - (ii) The Company has made provision as required under applicable law or accounting standards, for material foreseeable losses if any on long term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) *The Management of the Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have advanced*

- or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management of the Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 19.5 to the standalone financial statements
- (a) The interim dividend declared by the Company in their Board Meeting held on 22<sup>nd</sup> May, 2023 and until the date of this report is in compliance with Section 123 of the Act.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matter specified in the paragraph 3 and 4 of the Order.

For Arunkumar K. Shah & Co  
*Chartered Accountants*  
(FRN: 126935W)

Arunkumar K. Shah  
*Proprietor*  
Membership No: 034606.

**UDIN : 23034606BGPLJ06872**

*Place: Mumbai,*  
*Dated: 22<sup>nd</sup> May, 2023*

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred in paragraph 1(f) under "Report on Legal and Regulatory Requirement" section of our report of even date on the Standalone Ind AS Financial Statement of Standard Industries Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of **Standard Industries Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements for the year ended on that date.

### 2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects to the extent applicable.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### 4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### 5. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### 6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arunkumar K. Shah & Co  
Chartered Accountants  
(FRN: 126935W)

Arunkumar K. Shah  
Proprietor  
Membership No: 034606.

UDIN : 23034606BGPLJ06872

Place: Mumbai,  
Dated: 22<sup>nd</sup> May, 2023



**ANNEXURE“B” TO THE AUDITORS’ REPORT**

The annexure referred to in Paragraph 2 Of Our Report on Other Legal and Regulatory Requirements section of our report of Even Date On the Standalone Financial Statements For The Year Ended March 31, 2023 of Standard Industries Limited,

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To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

**(i) In respect of Property, Plant and Equipment and Intangible Assets:**

- (a) (A) The company has updated its property, plant and equipment records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations provided to us and based on our examination, the title deeds of immovable property are held in the name of the company as at Balance Sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) 'No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**(ii) In respect of Inventories:**

- (a) As explained to us, inventory has been physically verified during the year by the management and no material discrepancies were noticed on physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

**(iii) In respect of Granting of Loan:**

The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) As the Company has not granted any loan, hence reporting under clause 3(iii)(c) of the Order is not applicable.
- (d) As the Company has not granted any loan, hence reporting under clause 3(iii)(d) of the Order is not applicable.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- (iv) According to the information and explanation given to us, the Company has complied with the provision of the sections 185 and 186 of the Companies Act, 2013 of grant loans, making investment and providing guarantees and securities, as applicable. . There were no loans granted during the year under Section 185 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Act and the rule framed there under during the year. Hence, reporting under clause 3 (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under

# STANDARD INDUSTRIES LTD.

sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company

## (vii) In respect of Statutory dues:

- (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes given below:

Name of the Statute	Nature of Dues	Financial Year	Forum where matter is pending	Amount (₹ in Lakhs)
Income-tax Act 1961	Income-tax	2017-2018	Income-tax Appellate Authorities	156.31
Central Excise Act, 1944	Excise Duty	1996 – 1997 to 1998 - 1999	Commissioner of Central Excise	106.45
		1995 – 1996 to 1997 - 1998	High Court of Bombay	129.37
		1985; 1991 1994 – 1995 & 1996 – 1997 to 1999 – 2000	Central Excise and Service Tax Appellate Tribunal	115.31
		1996 – 1997 to 1997 - 1998	Assistant/ Deputy Commissioner of Central Excise	118.81

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon.
- (b) The Company has not been declared willful defaulter by any bank or financial Institution or government or any government authority.
- (c) The Company has renewed the term loan during the year. The outstanding term loan at

the beginning of the year is Rs.25.70 Crores. As per our information, the term loans were applied for the purpose for which the term loans were obtained.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year against pledge of securities held in subsidiaries and hence reporting on clause 3(x)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) (a)(b) and (c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial



statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and according reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and also in previous year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us

to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent CSR amount as at the end of the financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Companies Act, 2013.

For Arunkumar K. Shah & Co  
*Chartered Accountants*  
FRN: 126935W

(Arunkumar K. Shah)  
*Proprietor*

Membership No: 034606  
**UDIN: 23034606BGPLJ06872**

*Place: Mumbai,*

*Dated: 22<sup>nd</sup> May, 2023*

# STANDARD INDUSTRIES LTD.

## BALANCE SHEET

AS AT MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment.....	5	743.42	633.97
b. Right-to-use asset.....	6	199.59	32.07
c. Investment property.....	7	2,171.23	1,935.63
d. Intangible assets.....	8	2.07	2.92
e. Investment in subsidiaries.....	9	5,974.82	5,974.82
f. Financial assets.....			
i. Other investments.....	10	2,084.54	2,118.49
ii. Loans.....	11	201.34	197.74
iii. Other financial assets.....	12	72.06	11.36
g. Non-current tax assets (net).....	13	383.01	419.04
h. Other non-current assets.....	14	1,740.76	2,900.89
<b>Total non-current assets</b> .....		<b>13,572.84</b>	<b>14,226.93</b>
<b>2 Current assets</b>			
a. Inventories.....	15	—	—
b. Financial Assets			
i. Other investments.....	10	5,214.63	7,603.39
ii. Trade receivables.....	16	4,084.32	246.98
iii. Cash and cash equivalents.....	17	244.98	7,117.75
iv. Bank balances other than (iii) above.....	17	55.17	34.94
v. Other financial assets.....	12	92.38	211.64
c. Other current assets.....	14	1,152.86	1,154.74
<b>Total current assets</b> .....		<b>10,844.34</b>	<b>16,369.44</b>
<b>Total assets</b> .....		<b>24,417.18</b>	<b>30,596.37</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
a. Equity share capital.....	18	3,216.45	3,216.45
b. Other equity.....	19	16,699.53	16,270.24
<b>Total Equity</b> .....		<b>19,915.98</b>	<b>19,486.69</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings.....	20	2,442.71	—
ii. Lease liabilities.....	21	108.73	—
b. Provisions.....	22	583.66	583.66
<b>Total non-current liabilities</b> .....		<b>3,135.10</b>	<b>583.66</b>
<b>2 Current liabilities</b>			
a. Financial liabilities			
i. Borrowings.....	20	—	2,570.16
ii. Trade payables.....	23	423.06	647.46
iii. Lease liabilities.....	21	97.20	37.15
iv. Other financial liabilities.....	24	360.22	3,595.16
b. Provisions.....	22	47.35	57.63
c. Other current liabilities.....	25	100.00	252.99
d. Current tax liabilities (net).....	26	338.27	3,365.47
<b>Total current liabilities</b> .....		<b>1,366.10</b>	<b>10,526.02</b>
<b>Total liabilities</b> .....		<b>4,501.20</b>	<b>11,109.68</b>
<b>Total Equity and Liabilities</b> .....		<b>24,417.18</b>	<b>30,596.37</b>

See accompanying notes to the financial statements

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

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

ARUNKUMAR K. SHAH  
PROPRIETOR  
MEMBERSHIP NO : 034606  
Mumbai, Dated: May 22, 2023

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 22, 2023

For and on behalf of Board of Directors

P. R. MAFATLAL Chairman DIN 00015361

DIVYA P. MAFATLAL Director DIN 00011525

S. I. DIWANJI Director DIN 01667803

K. M. THANAWALLA Director DIN 00201749

D. H. PAREKH Executive Director DIN 00015734

Mumbai, Dated: May 22, 2023

**STATEMENT OF PROFIT AND LOSS**

**FOR THE YEAR ENDED MARCH 31, 2023**

*All amounts are ₹ in Lakhs unless otherwise stated*

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations.....	27	1,591.65	43,560.14
II Other Income .....	28	4,494.22	2,433.96
<b>III Total Income (I + II) .....</b>		<b>6,085.87</b>	<b>45,994.10</b>
<b>IV Expenses</b>			
Cost of lease land and related cost.....	29	—	17,521.92
Purchases of stock-in-trade .....		1,510.03	751.09
Changes in inventories of stock-in-trade .....	30	—	20.77
Employee benefits expense .....	31	223.85	232.50
Finance costs .....	32	648.54	439.01
Depreciation and amortisation expense .....	33	248.96	224.97
Reversal of sale of transferable development rights .....	46(a)	—	3,503.13
Other expenses .....	34	1,225.89	1,295.65
<b>Total expenses (IV) .....</b>		<b>3,857.27</b>	<b>23,989.04</b>
<b>V Profit before tax (III - IV).....</b>		<b>2,228.60</b>	<b>22,005.06</b>
<b>VI Tax expenses</b>			
Current tax .....		200.00	3,650.00
Deferred tax .....		—	—
<b>Total .....</b>		<b>200.00</b>	<b>3,650.00</b>
<b>VII Profit for the year (V - VI).....</b>		<b>2,028.60</b>	<b>18,355.06</b>
<b>VIII Other comprehensive income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
– Remeasurements of the defined benefit plans .....		8.91	14.26
<b>IX Total comprehensive income for the year (VII + VIII) .....</b>		<b>2,037.51</b>	<b>18,369.32</b>
<b>X Earnings per equity share .....</b>	<b>36</b>		
(1) Basic (in ₹).....		3.15	28.53
(2) Diluted (in ₹).....		3.15	28.53

**See accompanying notes to the financial statements**

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

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

ARUNKUMAR K. SHAH  
PROPRIETOR  
MEMBERSHIP NO : 034606  
Mumbai, Dated: May 22, 2023

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 22, 2023

**For and on behalf of Board of Directors**

P. R. MAFATLAL *Chairman* DIN 00015361

DIVYA P. MAFATLAL *Director* DIN 00011525

S. I. DIWANJI *Director* DIN 01667803

K. M. THANAWALLA *Director* DIN 00201749

D. H. PAREKH *Executive Director* DIN 00015734

Mumbai, Dated: May 22, 2023

# STANDARD INDUSTRIES LTD.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit for the year .....	2,228.60	22,005.06
<b>Adjustments for:</b>		
Depreciation and amortization expense .....	248.96	224.97
(Profit) on sale of property, plant and equipment (net) .....	(770.23)	—
Net (gain) arising on sale of financial assets designated as at FVTPL.....	(187.18)	(195.60)
Net (gain) arising from fair value of financial assets designated as at FVTPL...	(452.25)	(1,995.88)
Sundry credit balances written back.....	(0.11)	(8.65)
Reversal of sale of transferrable development rights.....	—	3,503.13
Profit arising from assignment of TDR entitlement .....	(2,862.00)	—
Dividends from equity investments .....	(9.11)	(11.22)
Dividend on investments in mutual funds.....	(53.43)	(9.89)
Interest income on fixed deposits with banks .....	(21.91)	(173.46)
Interest on loans from banks and financial institutions .....	283.24	353.32
Interest on lease liability .....	15.61	8.02
Other finance cost.....	349.69	77.67
	<b>(1,230.12)</b>	<b>23,777.47</b>
<b>Movements in working capital:</b>		
(Increase) in trade and other receivables.....	(2,680.28)	(13,841.49)
Decrease in inventories .....	—	8,989.88
(Decrease)/Increase in trade and other payables .....	(3,476.35)	(12,847.24)
<b>Cash generated from operations .....</b>	<b>(7,386.75)</b>	<b>6,078.62</b>
Income taxes paid.....	(3,191.17)	(316.63)
<b>Net cash generated by operating activities .....</b>	<b>(10,577.92)</b>	<b>5,761.99</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment.....	(684.16)	(3,735.74)
Sale of property, plant and equipment and TDR.....	3,457.19	—
Payment to acquire financial assets.....	(3,802.64)	(1,703.16)
Proceeds from sale of financial assets.....	6,864.83	4,014.14
Loan given.....	(3.60)	—
Dividend on investments.....	174.00	(120.43)
Balance in bank deposits.....	(84.23)	7.68
Interest income on fixed deposits with banks .....	37.16	184.01
<b>Net cash (used in)/generated by investing activities .....</b>	<b>5,958.55</b>	<b>(1,353.50)</b>

**STATEMENT OF CASH FLOWS** (Contd.)

**FOR THE YEAR ENDED MARCH 31, 2023**

*All amounts are ₹ in Lakhs unless otherwise stated*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Net repayment of borrowing .....	(127.45)	(2,626.20)
Dividend paid .....	(1,593.99)	(7.68)
Interest paid .....	(434.76)	(443.48)
Payment of lease liability .....	(97.20)	(97.20)
<b>Net cash (used in) financing activities</b> .....	<b>(2,253.40)</b>	<b>(3,174.56)</b>
<b>Net increase in cash and cash equivalents</b> .....	<b>(6,872.77)</b>	<b>1,233.93</b>
Cash and cash equivalents at the beginning of the year .....	<b>7,117.75</b>	<b>5,883.82</b>
<b>Cash and cash equivalents at the end of the year</b> .....	<b>244.98</b>	<b>7,117.75</b>

See accompanying notes to the financial statements

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

In terms of our report attached	For and on behalf of Board of Directors		
For, Arunkumar K. Shah & Co. Chartered Accountants FRN : 126935W	TANAZ B. PANTHAKI Vice President (Legal) & Company Secretary	P. R. MAFATLAL	Chairman DIN 00015361
		DIVYA P. MAFATLAL	Director DIN 00011525
		S. I. DIWANJI	Director DIN 01667803
		K. M. THANAWALLA	Director DIN 00201749
ARUNKUMAR K. SHAH PROPRIETOR MEMBERSHIP NO : 034606 Mumbai, Dated: May 22, 2023	JAYANTKUMAR R. SHAH Chief Financial Officer Mumbai, Dated: May 22, 2023	D. H. PAREKH	Executive Director DIN 00015734
		Mumbai, Dated: May 22, 2023	

# STANDARD INDUSTRIES LTD.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

### a. Equity share capital

For the year ended March 31, 2023

	No. of shares	Amount
Balance at April 1, 2022 .....	64,328,941	3,216.45
Changes in equity share capital due to prior period errors .....	—	—
<b>Restated balance at April 1, 2022 .....</b>	<b>64,328,941</b>	<b>3,216.45</b>
Changes in equity share capital during the year .....	—	—
<b>Balance at March 31, 2023 .....</b>	<b>64,328,941</b>	<b>3,216.45</b>

For the year ended March 31, 2022

Balance at April 1, 2021 .....	64,328,941	3,216.45
Changes in equity share capital due to prior period errors .....	—	—
<b>Restated balance at April 1, 2021 .....</b>	<b>64,328,941</b>	<b>3,216.45</b>
Changes in equity share capital during the year .....	—	—
<b>Balance at March 31, 2022 .....</b>	<b>64,328,941</b>	<b>3,216.45</b>

### b. Other equity

For the year ended March 31, 2023

Particulars	General reserve	Securities premium reserve	Reserves & surplus		Retained earnings	Total
			Capital redemption reserve	Remeasurement of defined benefit obligations (OCI)		
<b>Balance at April 1, 2022</b>	800.00	2,526.90	12.00	(112.03)	13,043.37	16,270.24
Changes in accounting policy or prior period errors	—	—	—	—	—	—
<b>Restated balance at April 1, 2022</b>	800.00	2,526.90	12.00	(112.03)	13,043.37	16,270.24
Profit for the year	—	—	—	—	2,028.60	2,028.60
Dividend on equity shares	—	—	—	—	(1,608.22)	(1,608.22)
Remeasurement of defined benefit obligations for the year	—	—	—	8.91	—	8.91
<b>Balance at March 31, 2023</b>	<b>800.00</b>	<b>2,526.90</b>	<b>12.00</b>	<b>(103.12)</b>	<b>13,463.75</b>	<b>16,699.53</b>
<b>For the year ended March 31, 2022</b>						
<b>Balance at April 1, 2021</b>	800.00	2,526.90	12.00	(126.29)	(5,311.69)	(2,099.08)
Changes in accounting policy or prior period errors	—	—	—	—	—	—
<b>Restated balance at April 1, 2021</b>	800.00	2,526.90	12.00	(126.29)	(5,311.69)	(2,099.08)
Profit for the year	—	—	—	—	18,355.06	18,355.06
Remeasurement of defined benefit obligations for the year	—	—	—	14.26	—	14.26
<b>Balance at March 31, 2022</b>	<b>800.00</b>	<b>2,526.90</b>	<b>12.00</b>	<b>(112.03)</b>	<b>13,043.37</b>	<b>16,270.24</b>

Refer note 19 for nature of reserves.

See accompanying notes to the financial statements

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

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

ARUNKUMAR K. SHAH  
PROPRIETOR  
MEMBERSHIP NO : 034606  
Mumbai, Dated: May 22, 2023

JAYANTKUMAR R. SHAH  
Chief Financial Officer  
Mumbai, Dated: May 22, 2023

For and on behalf of Board of Directors

P. R. MAFATLAL Chairman DIN 00015361

DIVYA P. MAFATLAL Director DIN 00011525

S. I. DIWANJI Director DIN 01667803

K. M. THANAWALLA Director DIN 00201749

D. H. PAREKH Executive Director DIN 00015734

Mumbai, Dated: May 22, 2023

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. General information

Corporate Identification Number: L17110MH1892PLC000089

Standard Mills Company Limited was incorporated in India 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. Presently, the Company is in the business of property division (previously known as real estate) and trading in textiles and chemicals. The property division comprises of assets which are in excess of business needs, which the Company would liquidate based on the market condition.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report for the principal activities of the Company.

The financial statements of the Company as on March 31, 2023 were approved and authorised for issue by the Board of Directors on May 22, 2023.

### 2. Significant accounting policies:

#### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

#### 2.2. Basis of preparation and presentation

##### 2.2.1. Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### 2.2.2. Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS 1 Presentation of financial statements.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

The aforesaid financial statement have been prepared in Indian Rupee (₹) and denominated in Lakhs.

### 2.3. Investment in subsidiaries

Investments in subsidiaries are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### 2.4. Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

#### Sale of goods:

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

#### Royalties:

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

#### Interest and dividend income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### 2.5. Leasing

#### The Company as lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### The Company as lessee:

The Company's lease asset class consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, their recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash-flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.6. Foreign currencies**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (₹).

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.7. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.8. Employee benefits**

**2.8.1. Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.8.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.8.3 Provident Fund :** Eligible employees receive the benefits from provident Fund which is defined benefit plan. Both the eligible employee and the Company contributes monthly to the provident fund plan equal to a specified percentage of covered employee's salary. Company Contributes a portion of the contribution to Mafatlal Gagalbhai & Sons and the Associated Concerns' Employee's Provident Fund (TRUST). The Trust invests in specified designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund.

### 2.8.4 Superannuation :

Certain employees of Company are covered under superannuation scheme and company contributes to the plan yearly to the Mafatlal Gagalbhai & Sons and the Associated Concerns' Officers' Superannuation Scheme (Trust). No further obligation to plan. The corpus of which is invested with Life Insurance Corporation of India.

### 2.9. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

Minimum alternate tax (MAT) paid in a year is charged to statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” under the deferred tax assets. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**2.10. Property, plant and equipment**

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy and includes all other expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting period in which they are incurred.

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for computers (desktops, laptops, etc.) has been assessed for 6 years based on technical advice, taking in to account the nature of the assets, the estimated usage of the asset, the operation condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

Estimated useful lives of the assets are as follows:

<b>Class of assets</b>	<b>Years</b>
Buildings	60 years
Plant and machinery	6 - 15 years
Furniture and fixtures	10 years
Office equipment	5 - 15 years
Vehicles	8 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**2.11. Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16’s requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### 2.12. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

#### Class of assets ..... Years

Software ..... 6 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2.13. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.14. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.15. Property under development

Property under development represents leasehold land converted into stock-in-trade on the basis of lower of the cost or fair value as valued by external valuers on the date of conversion.

### 2.16. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.17. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, overdrawn bank balances, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.18. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**2.19. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

**Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows: and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets: and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments, which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases, The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurements recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FYTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity investment in an entity which is not held for trading. The Company has elected the FVTOCI irrevocable option for this investment (see note 10). Fair value is determined in the manner described in note 38.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss is included in the 'Other income' line item.

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**2.20. Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### **Other financial liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **2.21. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, they constitute as CODM.

### **2.22. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### **3. Critical estimates and judgements**

In the course of applying the policies outlined in all notes above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### **A. Key sources of estimation uncertainty**

##### **i. Useful lives of property, plant and equipment and intangible assets**

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the management.

##### **ii. Impairment of investments in subsidiaries**

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses/ operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

**iii. Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**iv. Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**v. Fair value measurements**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**vi. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

**4. Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**a. Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**b. Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 5. Property, plant and equipment

Description of assets	Freehold land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Cost</b>							
As at April 1, 2021.....	—	74.60	147.41	100.06	36.70	622.08	980.85
Additions.....	13.82	—	—	—	21.54	115.13	150.49
Disposals/ reclassifications .....	—	—	—	—	—	—	—
<b>As at March 31, 2022 .....</b>	<b>13.82</b>	<b>74.60</b>	<b>147.41</b>	<b>100.06</b>	<b>58.24</b>	<b>737.21</b>	<b>1,131.34</b>
Additions (refer note 5.3).....	—	—	10.90	0.12	5.45	244.60	261.07
Disposals/ reclassifications .....	(13.82)	—	—	—	—	(18.32)	(32.14)
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>74.60</b>	<b>158.31</b>	<b>100.18</b>	<b>63.69</b>	<b>963.49</b>	<b>1,360.27</b>
<b>Depreciation</b>							
As at April 1, 2021.....	—	12.35	52.38	50.88	16.96	259.98	392.55
Depreciation expense for the year.....	—	1.49	16.37	8.73	7.90	70.33	104.82
Eliminated on disposal of assets/ reclassifications .....	—	—	—	—	—	—	—
<b>As at March 31, 2022 .....</b>	<b>—</b>	<b>13.84</b>	<b>68.75</b>	<b>59.61</b>	<b>24.86</b>	<b>330.31</b>	<b>497.37</b>
Depreciation expense for the year.....	—	1.51	15.22	5.26	9.97	97.23	129.19
Eliminated on disposal of assets/ reclassifications .....	—	—	—	—	—	(9.71)	(9.71)
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>15.35</b>	<b>83.97</b>	<b>64.87</b>	<b>34.83</b>	<b>417.83</b>	<b>616.85</b>
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>59.25</b>	<b>74.34</b>	<b>35.31</b>	<b>28.86</b>	<b>545.66</b>	<b>743.42</b>
<b>As at March 31, 2022 .....</b>	<b>13.82</b>	<b>60.76</b>	<b>78.66</b>	<b>40.45</b>	<b>33.38</b>	<b>406.90</b>	<b>633.97</b>

5.1 There are no impairment losses recognised during the year ended March 31, 2023 and March 31, 2022.

#### 5.2 Assets pledged as security

Buildings with a carrying amount of ₹ 44.17 Lakhs (as at March 31, 2022: ₹ 45.15 Lakhs) included in the block of buildings have been pledged to secure borrowings of the Company (see note 20). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

5.3 In previous year additions to freehold land is on account of cancellation of agreement/understanding for sale of TDR. Refer note 46(a).

5.4 The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

5.5 There are no capital-work-in-progress during each reporting period and therefore Schedule III additional disclosures for ageing and completion schedule of Capital work-in-progress is not applicable.

### 6. Right-to-use asset

Particulars	Office premises	Total
As at April 1, 2021.....	251.14	251.14
Additions.....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2022 .....</b>	<b>251.14</b>	<b>251.14</b>
Additions.....	251.17	251.17
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2023 .....</b>	<b>502.31</b>	<b>502.31</b>
<b>Accumulated depreciation and impairment</b>		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Office premises	Total
<b>As at April 1, 2021</b> .....	135.43	135.43
Depreciation expense for the year .....	83.64	83.64
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>219.07</b>	<b>219.07</b>
Depreciation expense for the year .....	83.65	83.65
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<b>302.72</b>	<b>302.72</b>
<b>As at March 31, 2023</b> .....	<b>199.59</b>	<b>199.59</b>
<b>As at March 31, 2022</b> .....	<b>32.07</b>	<b>32.07</b>

Refer note 21.

**7. Investment property**

Particulars	Investment property	Total
<b>Cost</b>		
<b>As at April 1, 2021</b> .....	2,090.59	2,090.59
Additions .....	—	—
Reclassified from property, plant and equipment .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>2,090.59</b>	<b>2,090.59</b>
Additions .....	423.48	423.48
Reclassified from property, plant and equipment .....	—	—
Disposals/ reclassifications .....	(171.39)	(171.39)
<b>As at March 31, 2023</b> .....	<b>2,342.68</b>	<b>2,342.68</b>
<b>Accumulated depreciation and impairment</b> .....		
<b>As at April 1, 2021</b> .....	119.32	119.32
Depreciation expense for the year .....	35.64	35.64
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>154.96</b>	<b>154.96</b>
Depreciation expense for the year .....	35.27	35.27
Eliminated on disposal of assets/ reclassifications .....	(18.78)	(18.78)
<b>As at March 31, 2023</b> .....	<b>171.45</b>	<b>171.45</b>
<b>As at March 31, 2023</b> .....	<b>2,171.23</b>	<b>2,171.23</b>
<b>As at March 31, 2022</b> .....	<b>1,935.63</b>	<b>1,935.63</b>

**7.1 Fair value of the Company's investment properties**

The fair value of the Company's investment properties situated at Surat as at March 31, 2023 have been arrived at on the basis of a valuation carried out by M/s R K Patel & Co. and for other investment properties have been carried out by K.S. Shikari & Associates, independent valuers not related to the Company. The Valuers are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was derived using the market comparable approach based on recent market prices with few adjustments being made to the market observable data.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2023 and March 31, 2022 are as follows:

	Fair value as at	
	March 31, 2023	March 31, 2022
<b>Level 2</b>		
Residential units located in India - Thane	—	643.00
Residential units located in India - Chembur	635.00	635.00
Residential units located in India - Prabhadevi	9,200.00	9,200.00
Residential units located in India - Bhulabhai Desai Road	558.00	558.00
Residential units located in India - Tardeo	252.00	252.00
Residential units located in India - Sewree	162.00	365.00
Residential units located in India - Surat	139.71	139.71
Residential units located in India- Carmichael Road, Mumbai	258.00	258.00
Residential units located in India - Gopaldas Deshmukh Marg, Mumbai	412.48	—

### 7.2 Assets pledged as security

Buildings with a carrying amount of ₹ 441.67 Lakhs (as at March 31, 2022: ₹ 451.53 Lakhs) included in the investment property have been pledged to secure borrowings of the Company (see note 20). The Company is not allowed to pledge this asset as security for other borrowings or to sell them to another entity.

### 7.3 Income and expenses related to investment property recognised on profit or loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income from investment property .....	3.17	39.89
Expenses arising from investment property that generated rental income.....	—	—
Expenses arising from investment property that did not generate rental income.....	34.03	24.60
<b>Total expenses</b> .....	<b>34.03</b>	<b>24.60</b>

### 8. Intangible assets

Particulars	Software	Total
<b>Cost</b>		
As at April 1, 2021.....	8.88	8.88
Additions .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>8.88</b>	<b>8.88</b>
Additions .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<b>8.88</b>	<b>8.88</b>
<b>Accumulated amortisation and impairment</b>		
As at April 1, 2021.....	5.09	5.09
Amortisation expenses.....	0.87	0.87
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>5.96</b>	<b>5.96</b>
Amortisation expenses .....	0.85	0.85
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<b>6.81</b>	<b>6.81</b>
<b>As at March 31, 2023</b> .....	<b>2.07</b>	<b>2.07</b>
<b>As at March 31, 2022</b> .....	<b>2.92</b>	<b>2.92</b>

8.1 The Company has not revalued its intangible assets as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

8.2 There are no intangible under development during each reporting period and therefore Schedule III additional disclosures for ageing and completion schedule of intangible under development is not applicable.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**9. Investments in subsidiary**

	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
<b>Unquoted Investments (all fully paid)</b>				
<b>Investments in equity instruments</b>				
(a) <b>Standard Salt Works Limited</b>				
Equity Shares of the face value of ₹ 100/- each fully paid-up	584,000	5,463.52	584,000	5,463.52
(b) <b>Mafatlal Enterprises Limited</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	50,007	5.00	50,007	5.00
(c) <b>Deemed Investment in subsidiary (refer note 9.1)</b>	—	506.30	—	506.30
<b>Total investments</b>		<u>5,974.82</u>		<u>5,974.82</u>
<b>Aggregate market value of quoted investments</b>		—		—
<b>Aggregate carrying value of unquoted investments</b>		5,974.82		5,974.82
<b>Aggregate amount of impairment in value of investments in subsidiaries</b>		—		—

9.1 The Company had provided loan to its wholly owned subsidiary, Standard Salt Works Limited. This loan is initially measured at fair value and subsequently at amortised cost. The difference between the market rate of interest and the rate of interest of the loan is the benefit provided by the Company to its subsidiary. This benefit is recognised as deemed investment in the books of the Company.

**10. Other investments**

	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
<b>Non-Current</b>				
<b>Quoted investments (all fully paid)</b>				
(A) <b>Investments in equity instruments measured at FVTPL</b>				
Nocil Limited	—	—	13,320	33.15
Stanrose Mafatlal Investment and Finance Limited	19,009	15.19	19,009	15.99
<b>Total aggregate quoted investments (A)</b>		<u>15.19</u>		<u>49.14</u>
<b>Unquoted Investments (all fully paid)</b>				
(B) <b>Investments in equity instruments measured at FVTPL</b>				
Stanrose Mafatlal Lubechem Limited	200	—	200	—
(C) <b>Investments in equity instruments measured at FVTOCI</b>				
Duville Estate Private Limited	1,447,714	1,204.61	1,447,714	1,204.61
(D) <b>Investments in Preference shares measured at FVTPL</b>				
Connect India E-commerce Services Private Limited	32,712	864.74	32,712	864.74
		<u>864.74</u>		<u>864.74</u>
<b>Total aggregate unquoted investments (B + C + D)</b>		<u>2,069.35</u>		<u>2,069.35</u>
<b>Total non-current investments (Quoted) + (Unquoted)</b>		<u>2,084.54</u>		<u>2,118.49</u>



# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
<b>Current</b>				
<b>Quoted investments (all fully paid)</b>				
<b>(A) Investments in equity instruments measured at FVTPL</b>				
Ajanta Pharma Ltd	—	—	250	4.53
Apcotex Industries Limited	14,492	70.66	19,339	69.41
Asian Paints Ltd	—	—	2,250	69.30
Astra Microwave Products Ltd	—	—	5,000	11.25
Au Small Finance Bank Limited	13,145	76.14	6,378	79.49
Bajaj Auto Ltd	—	—	500	18.27
Bajaj Finance Ltd	—	—	1,000	72.60
Bajaj Finverv Ltd	—	—	3,035	517.78
Chalet Hotels Limited	49,489	179.72	535,671	1,619.60
Cholamandalam Financial Holdings Limited	—	—	2,000	12.37
Dalmia Bharat Limited	2,817	55.45	2,817	42.13
Data Patterns India Limited	6,809	93.67	6,714	47.19
Dr. Reddys Laboratories Limited	—	—	500	21.48
Endurance Technologies Limited	—	—	200	2.19
HDFC Bank	4,003	64.43	6,374	93.72
HDFC Limited	—	—	1,000	23.90
ICICI Bank Ltd	—	—	2,000	14.61
ICICI Lombard General Insurance	—	—	1,000	13.28
Indusind Bank Limited	4,511	48.18	4,305	40.27
Infosys Ltd.	—	—	1,750	33.37
ITC Ltd	—	—	2,000	5.01
JBF Industries Ltd	—	—	13,102	1.70
Mangalam Organics Limited	—	—	2,500	22.48
Maruti Suzuki India Limited	—	—	1,000	75.61
Max Healthcare Institute Limited	15,261	67.32	16,920	58.82
Uno Minda Limited	8,912	42.87	5,014	46.75
Mphasis Ltd	—	—	50	1.69
Navin Fluorine International Ltd	—	—	2,625	107.16
PB Fintech Limited	—	—	1,000	6.94
PG Electroplast Limited	4,685	62.42	—	—
PI Industries Limited	1,993	60.39	2,055	57.94
Praj Industries Limited	13,518	46.10	16,000	63.75
Reliance Industries Limited	—	—	450	11.86
Sequent Scientific Limited	—	—	5,000	6.69
Solar Industries India Limited	1,694	64.24	2,048	57.27
Suprajit Engineering Ltd	11,103	38.28	11,103	37.99
Tata Consultancy Services Limited	—	—	500	18.70
Tech Mahindra Limited	—	—	850	12.75
Titan Company Limited	—	—	1,100	27.90
Wipro Ltd	—	—	500	2.96
		<b>969.87</b>		<b>3,430.71</b>
<b>Unquoted investments (all fully paid)</b>				
<b>(B) Investments in mutual funds measured at FVTPL</b>				
ABSL Low Duration Fund - Daily IDCW Reinvestment	659,878	659.88	311,152	311.60
Blume Ventures (Opportunities) Fund IIA	470,090	1,335.38	470,137	1,022.08
Franklin India Floating Rate Fund	63,271	6.41	60,615	6.13

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
HDFC Low duration Fund- Daily IDCW	15,447	1.57	14,803	1.50
HDFC Liquid Fund (Growth)	148	6.47	148	6.13
ICICI Prudential Liquid Fund (Growth)	1,393	4.61	1,393	4.36
IIFL Special Opportunities Fund - Series 5	10,296,823	659.41	10,296,823	917.84
IIFL Special Opportunities Fund - Series 7	5,856,983	659.82	5,898,192	1,070.40
IIFL India Private Equity Fund	6,133,828	888.68	6,300,523	811.26
Kotak Money Market Scheme - Regular Plan (Growth)	443	16.86	443	15.96
Kotak Money Market Scheme - Regular Plan - Daily Dividend	136	1.44	130	1.37
Kotak Low Duration Fund Standard - Weekly Dividend	389	4.23	389	4.05
		<u>4,244.76</u>		<u>4,172.68</u>
<b>Total current investments (A) + (B)</b>		<u>5,214.63</u>		<u>7,603.39</u>
<b>Aggregate book value of quoted investments</b>		985.06		3,479.85
<b>Aggregate market value of quoted investments</b>		985.06		3,479.85
<b>Aggregate carrying value of unquoted investments</b>		6,314.11		6,242.03
<b>Aggregate amount of impairment in value of investments</b>		—		—

**10.1 Category-wise other investments - as per Ind AS 109 classification**

	As at March 31, 2023		As at March 31, 2022	
	<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>			
Investment in quoted equity shares.....		985.06		3,479.85
Investment in unquoted preference shares .....		864.74		864.74
Investment in mutual funds.....		4,244.76		4,172.68
		<u>6,094.56</u>		<u>8,517.27</u>
<b>Financial assets carried at fair value through other comprehensive income (FVTOCI)</b>				
Investment in unquoted equity shares.....		1,204.61		1,204.61
		<u>1,204.61</u>		<u>1,204.61</u>
<b>Total .....</b>		<u>7,299.17</u>		<u>9,721.88</u>

**11. Loans**

	As at March 31, 2023		As at March 31, 2022	
	<b>Non-Current</b>			
<b>Loans to others</b>				
Unsecured, considered good.....		201.34		197.74
<b>Total .....</b>		<u>201.34</u>		<u>197.74</u>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 12. Other financial assets

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Security deposits.....	12.06	11.36
Fixed deposits with banks under lien.....	60.00	—
<b>Total</b> .....	<u>72.06</u>	<u>11.36</u>
<b>Current</b>		
Advances to subsidiary companies.....	1.50	1.00
Interest accrued but not due on bank deposits.....	1.14	16.39
Dividend receivable on mutual funds.....	30.08	141.54
Bank deposits with maturity of more than 12 months.....	4.00	—
Others.....	55.66	52.71
<b>Total</b> .....	<u>92.38</u>	<u>211.64</u>

### 13. Non current tax asset (net)

	As at March 31, 2023	As at March 31, 2022
Advance Tax (net of provisions).....	383.01	419.04
<b>Total</b> .....	<u>383.01</u>	<u>419.04</u>

### 14. Other assets

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Capital advance.....	550.00	1,421.00
Advances other than capital advances		
- Amounts deposited against disputed rent.....	1,153.26	1,153.26
- Advance to creditors.....	193.58	193.58
Less: Provision for doubtful advances.....	<u>(193.58)</u>	<u>(193.58)</u>
	—	—
- Balance with Government authorities.....	37.50	326.63
<b>Total</b> .....	<u>1,740.76</u>	<u>2,900.89</u>
<b>Current</b>		
Advances other than capital advances		
- Advance to creditors.....	44.52	67.79
- Advance to others.....	1,060.16	1,061.36
Prepaid expenses.....	32.58	18.99
Others.....	15.60	6.60
<b>Total</b> .....	<u>1,152.86</u>	<u>1,154.74</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**15. Inventories**

	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost and net realisable value)		
- Stock-in-trade.....	—	—
<b>Total</b> .....	—	—

The cost of inventories recognised as an expense during the year was ₹ 1,510.03 Lakhs (for the year ended March 31, 2022: ₹ 771.86 Lakhs). The Company has no write-down of inventory to net realisable value during the year ended March 31, 2023 and March 31, 2022.

The mode of valuation of inventories has been stated in note 2.14.

**16. Trade Receivables**

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered good.....	145.02	65.49
Unsecured, credit impaired.....	426.34	426.34
Allowance for doubtful debts (expected credit loss allowances) ....	(426.34)	(426.34)
	145.02	65.49
<b>Outstanding for a period less than six months</b>		
Unsecured, considered good.....	3,939.30	181.49
<b>Total</b> .....	4,084.32	246.98

16.1 The average credit period on sales of goods is 90 days. No interest is charged on trade receivables.

16.2 The ageing schedule of Trade receivables is as follows:

a) As at March 31, 2023

Particulars	Outstanding for the following period :*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
- Considered Good	3,939.30	94.76	13.98	13.28	23.00	4,084.32
- Credit impaired	—	—	—	—	426.34	426.34
<b>Disputed</b>						
- Considered Good	—	—	—	—	—	—
- Credit impaired	—	—	—	—	—	—
						4,510.66
Allowance for doubtful debts (expected credit loss allowances)						(426.34)
<b>Trade receivables</b>						4,084.32

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### b) As at March 31, 2022

Particulars	Outstanding for the following period :*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
- Considered Good	181.49	5.54	12.52	38.05	9.38	246.98
- Credit impaired	—	—	—	—	426.34	426.34
<b>Disputed</b>						
- Considered Good	—	—	—	—	—	—
- Credit impaired	—	—	—	—	—	—
						673.32
Allowance for doubtful debts (expected credit loss allowances)						(426.34)
<b>Trade receivables</b>						246.98

\* For the purposes of presentation of the aging schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices as at each reporting date.

### 17. Cash and bank balance

	As at March 31, 2023	As at March 31, 2022
<b>A. Cash and cash equivalents</b>		
Balances with banks		
- In current account .....	198.25	258.36
- In deposits account .....	30.00	6,837.08
Cash on hand .....	16.73	22.31
<b>Total</b> .....	<u>244.98</u>	<u>7,117.75</u>
<b>B. Bank balance other than cash and cash equivalent</b>		
Balances with bank in unpaid dividend account .....	49.17	34.94
Deposits with banks with remaining maturity of less than 12 months but more than 3 months .....	6.00	—
<b>Total</b> .....	<u>55.17</u>	<u>34.94</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**18 Equity share capital**

	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>		
15,00,00,000 Equity shares of ₹ 5/- each .....	7,500.00	7,500.00
<b>Issued and subscribed capital comprises:</b>		
6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up.....	3,216.45	3,216.45
<b>Total</b> .....	<b>3,216.45</b>	<b>3,216.45</b>

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

**18.2 Details of shares held by each shareholder holding more than 5% shares**

	As at March 31, 2023	
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Stanrose Mafatlal Investment & Finance limited .....	12,404,487	19.28%
Satin Limited .....	25,000,000	38.86%

	As at March 31, 2022	
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Stanrose Mafatlal Investment & Finance limited .....	12,404,487	19.28%
Satin Limited .....	25,000,000	38.86%

**18.3 Shares held by promoters**

As at March 31, 2023				
Sr No.	Promoter name	No. of shares	% of total shares	% change during the year
1	Stanrose Mafatlal Investment & Finance Limited..	12,404,487	19.28%	0%
2	Shanudeep Private Limited.....	500,000	0.78%	0%
3	Shri Pradeep Rasesh Mafatlala.....	13,555	0.02%	0%
4	Sheiladeep Investments Private Limited.....	11,000	0.02%	0%
5	Vinadeep Investments Private Limited .....	11,000	0.02%	0%
6	Gagalbhai Investments Private Limited .....	11,000	0.02%	0%
7	Pradeep Investments Private Limited .....	11,000	0.02%	0%

As at March 31, 2022				
Sr No.	Promoter name	No. of shares	% of total shares	% change during the year
1	Stanrose Mafatlal Investment & Finance Limited..	12,404,487	19.28%	0%
2	Shanudeep Private Limited.....	500,000	0.78%	0%
3	Shri Pradeep Rasesh Mafatlala.....	13,555	0.02%	0%
4	Sheiladeep Investments Private Limited.....	11,000	0.02%	0%
5	Vinadeep Investments Private Limited .....	11,000	0.02%	0%
6	Gagalbhai Investments Private Limited .....	11,000	0.02%	0%
7	Pradeep Investments Private Limited .....	11,000	0.02%	0%

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 19 Other equity

	As at March 31, 2023	As at March 31, 2022
<b>Reserves and surplus</b>		
General reserve .....	800.00	800.00
Securities premium reserve .....	2,526.90	2,526.90
Capital redemption reserve .....	12.00	12.00
Remeasurement of defined benefits obligation (OCI) .....	(103.12)	(112.03)
Retained earnings .....	<u>13,463.75</u>	<u>13,043.37</u>
<b>Total</b> .....	<u><u>16,699.53</u></u>	<u><u>16,270.24</u></u>

#### 19.1 General Reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year .....	800.00	800.00
Transfer to retained earnings .....	—	—
<b>Balance at end of year</b> .....	<u><u>800.00</u></u>	<u><u>800.00</u></u>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### 19.2 Securities premium reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year .....	2,526.90	2,526.90
Addition on account of issue of shares .....	—	—
<b>Balance at end of year</b> .....	<u><u>2,526.90</u></u>	<u><u>2,526.90</u></u>

Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

#### 19.3 Capital Redemption reserve

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year .....	12.00	12.00
Movement during the year .....	—	—
<b>Balance at end of year</b> .....	<u><u>12.00</u></u>	<u><u>12.00</u></u>

This reserve was created for redemption of preference shares. The preference shares were redeemed in the financial year 1982-83.

#### 19.4 Remeasurement of defined benefits obligation (OCI)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year .....	(112.03)	(126.29)
Movement during the year .....	8.91	14.26
<b>Balance at end of year</b> .....	<u><u>(103.12)</u></u>	<u><u>(112.03)</u></u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**19.5 Retained earnings**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	13,043.37	(5,311.69)
Profit attributable to owners of the Company.....	2,028.60	18,355.06
Dividend on equity shares paid .....	<u>(1,608.22)</u>	-
<b>Balance at end of year .....</b>	<b>13,463.75</b>	<b>13,043.37</b>

Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Interim dividend for FY 2021-22 .....	1.75	—
Final dividend for FY 2021-22 .....	<b>0.75</b>	—

During the year ended March 31, 2023, on account of the final dividend for FY 2021-22 and interim dividend for 2021-22 the Company has incurred a net cash outflow of ₹ 1608.22 Lakhs.

The Board of Directors of the Company, in their meeting held on May 22, 2023, has declared Interim dividend of ₹. 0.80 per equity share of ₹.5/- each ( 16% on face value of ₹. 5/- each).

In respect of the year ended March 31, 2023, the Board of Directors, at its meeting on May 22, 2023, has proposed a Final Dividend of ₹ 0.25 per equity share of ₹. 5/- each (5 % on the face value of ₹. 5/- each), which is subject to approval of Shareholders in the Annual General Meeting.

The Company has not accounted for the Interim and Final dividend as a liability, as per Ind AS 10 as the dividends are declared after the reporting period.

**20 Borrowings**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
<b>Non-current</b>		
<b>Secured - at amortised cost</b>		
Term loans from financial institutions		
- IIFL Wealth Prime Limited .....	2,442.71	2,570.16
Less: Current maturity of long term loans .....	—	(2,570.16)
<b>Total .....</b>	<b>2,442.71</b>	<b>—</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Current maturities of long-term debt.....	—	2,570.16
<b>Total .....</b>	<b>—</b>	<b>2,570.16</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 20.1 Summary of borrowing arrangements

The terms of repayment of term loans and other loans are stated below

**As at March 31, 2023**

Particulars	Amount outstanding	Terms of repayment	Rate of interest
<b>IIFL Wealth Prime Limited</b>	<b>2,442.71</b>	5 years	IIFLW PLR + 15 bps (i.e. 12.65% as at the balance sheet date. Interest payable semi-annually at the end of every calendar half year.
<b>Security</b>			
1. First and exclusive charge over Stanrose apartment situated at Prabhadevi, Mumbai.			
2. Pledge over diversified basket of financial securities.			

Carrying amount of financial securities pledged is ₹ 3074.19 Lakhs

**As at March 31, 2022**

Particulars	Amount outstanding	Terms of repayment	Rate of interest
<b>IIFL Wealth Limited</b>	<b>2,570.16</b>	Any point of time during the tenure of loan	IIFLW PLR + 75 bps (i.e. 11.25% as at the balance sheet date. Interest payable semi-annually at the end of every calendar half year.
<b>Security</b>			
1. First and exclusive charge over Stanrose apartment situated at Prabhadevi, Mumbai.			
2. Pledge over diversified basket of financial securities.			

Carrying amount of financial securities pledged is ₹ 3951.25 Lakhs

**20.2** There are no breach of contractual terms of the borrowing during the year ended March 31, 2023 and March 31, 2022.

### 20.3 Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Particulars	Term loans from financial institutions
<b>As at April 1, 2021</b> .....	5,196.36
Financing cash flows .....	(2,626.20)
<b>Non-cash changes</b>	
Interest accruals on account of amortisation.....	—
<b>As at March 31, 2022</b> .....	<b>2,570.16</b>
Financing cash flows .....	(127.45)
<b>Non-cash changes</b> .....	
Interest accruals on account of amortisation.....	—
<b>As at March 31, 2023</b> .....	<b>2,442.71</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**20.4 Additional information as per Schedule III**

- (i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

**21. Lease liabilities**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
<b>Non-current</b>		
Lease liabilities .....	<u>108.73</u>	<u>—</u>
<b>Total</b> .....	<u>108.73</u>	<u>—</u>
<b>Current</b>		
Lease liabilities .....	<u>97.20</u>	<u>37.15</u>
<b>Total</b> .....	<u>97.20</u>	<u>37.15</u>

**21.1 The following is the movement in lease liabilities**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning .....	37.15	126.33
Additions .....	250.37	—
Finance cost accrued during the period .....	15.61	8.02
Payment of lease liabilities .....	<u>(97.20)</u>	<u>(97.20)</u>
<b>Balance at the end</b> .....	<u>205.93</u>	<u>37.15</u>

**21.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
Less than one year .....	97.20	97.20
One year to three years .....	<u>134.73</u>	<u>37.53</u>
<b>Total</b> .....	<u>231.93</u>	<u>134.73</u>

**21.3 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.**

**21.4 Amounts recognised in profit and loss**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Depreciation expense on right-of-use assets .....	83.65	83.64
Interest expense on lease liabilities .....	15.61	8.02
Expense relating to short-term leases .....	<u>17.03</u>	<u>19.23</u>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 22. Provisions

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Other provisions		
- for disputed rent (refer note 22.1).....	583.66	583.66
	<u>583.66</u>	<u>583.66</u>
<b>Current</b>		
Employee benefits		
- for compensated absences .....	47.35	57.63
<b>Total</b> .....	<u>47.35</u>	<u>57.63</u>

#### 22.1 Provision for disputed rent

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year.....	583.66	583.66
Additional provision recognised .....	—	—
<b>Balance at end of year</b> .....	<u>583.66</u>	<u>583.66</u>

The provision for disputed rent relates to claim of rent by the owner of the premises which were used by the Company in earlier years. Refer note 41 on contingent liabilities and commitments.

### 23. Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables.....		
Total outstanding dues of micro enterprises and small enterprises.....	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises .....	423.06	647.46
<b>Total</b> .....	<u>423.06</u>	<u>647.46</u>

The average credit period on purchases is 90 days. No interest is charged by the trade payables.

#### 23.1 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year .....	—	—
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	—	—
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.....	—	—

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act .....	—	—
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	—	—
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 .....	—	—

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.

**23.2 The ageing schedule of trade payables is as follows**

**a) As at March 31, 2023**

Particulars	Outstanding for the following period:*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME.....	—	—	—	—	—
(ii) Others.....	363.72	—	0.27	59.07	423.06
(iii) Disputed dues – MSME.....	—	—	—	—	—
(iv) Disputed dues – Others.....	—	—	—	—	—

**b) As at March 31, 2022**

Particulars	Outstanding for the following period:*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME.....	—	—	—	—	—
(ii) Others.....	541.63	14.60	22.66	68.57	647.46
(iii) Disputed dues – MSME.....	—	—	—	—	—
(iv) Disputed dues – Others.....	—	—	—	—	—

\* For the purposes of presentation of the aging schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices as at each reporting date.

**24. Other financial liabilities**

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Contract liabilities (advance from customers).....	53.25	3,150.90
Interest accrued but not due on borrowings.....	128.89	280.41
Unpaid dividends.....	49.17	34.94
Others.....	128.91	128.91
<b>Total</b> .....	<u>360.22</u>	<u>3,595.16</u>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 25. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities .....	99.95	142.34
Others .....	0.05	110.65
<b>Total</b> .....	<u>100.00</u>	<u>252.99</u>

### 26. Current tax liabilities

	As at March 31, 2023	As at March 31, 2022
Income tax provision (net of advance tax) .....	338.27	3,365.47
<b>Total</b> .....	<u>338.27</u>	<u>3,365.47</u>

### 27. Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
- Cloth .....	1,567.65	807.01
Sale of property		
- Assignment of leasehold rights of lease land (refer note 45) .....	—	42,733.00
Other operating revenues		
- Royalty received .....	24.00	20.13
<b>Total</b> .....	<u>1,591.65</u>	<u>43,560.14</u>

27.1 There are no impairment losses on trade receivable recognised in Statement of profit and loss for the year ended March 31, 2023 and March 31, 2022 (refer note 16).

27.2 The Company presently recognises revenue on point in time basis. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer Note 35 on Segment information disclosure).

#### 27.3 Contract balances

The following table provides information about receivables from contracts with customers:

	As at March 31, 2023	As at March 31, 2022
<b>Closing balances</b>		
Trade receivables .....	4,084.32	246.98

27.4 The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

27.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended March 31, 2023 and year ended March 31, 2022.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**27.6 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Revenue from contracts with customers (as per Statement of Profit and Loss) .....	<b>1,591.65</b>	43,560.14
Add: Discounts, rebates, refunds, credits, price concessions.....	<u>—</u>	<u>—</u>
<b>Contracted price with the customers</b> .....	<b><u>1,591.65</u></b>	<b><u>43,560.14</u></b>

**28. Other Income**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
<b>(a) Interest Income</b>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits (at amortised cost).....	<b>21.91</b>	173.46
	<u>21.91</u>	<u>173.46</u>
<b>(b) Dividend income</b>		
Dividend on equity investments.....	<b>9.11</b>	11.22
Dividend on mutual funds .....	<b>53.43</b>	9.89
	<u>62.54</u>	<u>21.11</u>
<b>(c) Other non-operating income (net of expenses directly attributable to such income)</b>		
Profit arising from assignment of TDR entitlement {refer note 46(b)}.....	<b>2,862.00</b>	—
Sundry credit balances written back.....	<b>0.11</b>	8.65
Miscellaneous income.....	<b>137.80</b>	39.90
	<u>2,999.91</u>	<u>48.55</u>
<b>(d) Other gains and losses</b> .....		
Gain on disposal of property, plant and equipment .....	<b>770.23</b>	—
Net foreign exchange gain/(loss).....	<b>0.20</b>	(0.64)
Net gain/(loss) arising on sale of financial assets designated as at FVTPL .....	<b>187.18</b>	195.60
Net gain/(loss) arising on fair value of financial assets designated as at FVTPL .....	<b>452.25</b>	1,995.88
	<u>1,409.86</u>	<u>2,190.84</u>
<b>(a + b + c + d)</b> .....	<b><u>4,494.22</u></b>	<b><u>2,433.96</u></b>

**29. Cost of lease land and related cost**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Cost of lease land and other development activities .....	<b>—</b>	8,969.11
Cost of power sub station (asset held for sale) .....	<b>—</b>	1,493.03
Premium paid to Government authority.....	<b>—</b>	4,312.23
Stamp duty and Registration fees .....	<b>—</b>	2,329.21
Miscellaneous expenses .....	<b>—</b>	418.34
<b>Total</b> .....	<b><u>—</u></b>	<b><u>17,521.92</u></b>



# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 30. Changes in inventories of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Opening stock:</b>		
Finished stock .....	—	20.77
<b>B. Closing stock:</b>		
Finished stock .....	—	—
<b>A - B</b> .....	<u>—</u>	<u>20.77</u>

### 31. Employee benefits expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages.....	155.05	166.88
Gratuity expenses (refer note 37).....	(0.08)	7.66
Contribution to provident and other funds.....	26.34	26.89
Staff welfare expenses.....	42.54	31.07
<b>Total</b> .....	<u>223.85</u>	<u>232.50</u>

### 32. Finance Costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on loans from banks and financial institutions.....	283.24	353.32
Interest on lease liabilities.....	15.61	8.02
Other interests expenses.....	349.69	77.67
<b>Total</b> .....	<u>648.54</u>	<u>439.01</u>

### 33. Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment.....	129.19	104.82
Depreciation of investment property.....	35.27	35.64
Depreciation of right of use asset.....	83.65	83.64
Amortisation of intangible assets.....	0.85	0.87
<b>Total depreciation and amortisation expenses</b> .....	<u>248.96</u>	<u>224.97</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**34. Other expenses**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Charges for corporate office service and facilities .....	130.68	130.68
Consulting fees .....	92.16	100.31
Contributions and financial assistance .....	10.05	11.74
Commission and brokerage expenses .....	18.42	—
Corporate social responsibility expenses (refer note 34.2).....	120.22	—
Directors' fees .....	8.60	7.80
Donations .....	16.78	35.00
Electricity .....	16.21	43.84
General charges.....	28.17	20.38
GST input reversal .....	13.13	163.76
Insurance .....	12.45	9.40
Legal and professional fees.....	29.71	19.98
Ownership Flat maintenance expenses.....	37.12	29.56
Payment to auditors (refer note 34.1) .....	13.95	11.90
Portfolio management expenses .....	84.33	79.28
Rates and taxes .....	67.65	66.81
Rent (refer note 21.4) .....	17.03	19.23
Repairs to buildings, machinery and others .....	46.43	44.07
Registrar and share transfer charges.....	11.58	8.81
Security charges .....	43.25	87.27
Staff canteen expenses.....	33.62	45.00
Stationery, printing, advertisement and postage etc. ....	30.09	40.57
Temporary manpower .....	122.03	114.09
Travelling and conveyance expenses.....	79.76	100.21
Vehicle expenses .....	62.27	58.16
Miscellaneous expenses .....	80.20	47.80
<b>Total</b> .....	<b>1,225.89</b>	<i>1,295.65</i>

**34.1 Payments to auditors**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
a) For audit .....	6.00	5.25
b) Certification work.....	5.85	4.40
c) For tax audit.....	2.00	2.00
d) Out of pocket expenses.....	0.10	0.25
<b>Total</b> .....	<b>13.95</b>	<i>11.90</i>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 34.2 Corporate social responsibility expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) amount required to be spent by the company during the year	120.09	—
(b) amount of expenditure incurred for CSR expenses of Current year	120.22	—
(c) shortfall at the end of the year out of the amount required to be spent by the Company during the year	—	—
(d) total of previous years shortfall	—	
(e) reason for shortfall	NA	NA
(f) amount of expenditure incurred for previous year shortfall	—	—
(g) nature of CSR activities	Education, Health care and Wellness, PM Cares and Water, Sanitation and Hygiene.	NA
(h) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
(i) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

### 35. Segment information

#### 35.1 Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the 'Property Division\*' and 'trading' operations. The directors of the Company have chosen to organise the Company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Company's reportable segments under Ind AS 108 are as follows:

- Property division\*
- Trading

\* The property division comprises of assets which are in excess of business needs, which the Company would liquidate based on the market condition.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**35.2 Segment revenues and results**

The following is an analysis of the Company's revenue and results from operations by reportable segment.

Particulars	Segment revenue	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Good and services provided</b>		
- Property division .....	—	42,733.00
- Trading .....	1,591.65	827.14
<b>Total for operations.....</b>	<b>1,591.65</b>	<b>43,560.14</b>
	Segment profit	
<b>Good and services provided</b>		
- Property division .....	3,470.17	21,606.59
- Trading .....	71.79	45.13
<b>Total for operations.....</b>	<b>3,541.96</b>	<b>21,651.72</b>
Unallocated corporate expenses	(2,172.20)	(2,040.72)
Unallocated corporate income	858.84	2,394.06
<b>Profit before tax .....</b>	<b>2,228.60</b>	<b>22,005.06</b>
Tax expenses .....	200.00	3,650.00
<b>Profit after tax.....</b>	<b>2,028.60</b>	<b>18,355.06</b>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current and previous year.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2. Segment profit represents the profit before tax earned by each segment without allocation of unallocated expenses and income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**35.3 Segment assets and liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Segment assets</b>		
- Property division .....	7,252.64	4,335.09
- Trading .....	440.80	270.44
<b>Total segment assets.....</b>	<b>7,693.44</b>	<b>4,605.53</b>
Unallocated corporate assets .....	16,723.74	25,990.84
<b>Total assets.....</b>	<b>24,417.18</b>	<b>30,596.37</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Segment liabilities</b>		
- Property division .....	267.34	3,794.81
- Trading .....	342.97	170.36
<b>Total segment liabilities.....</b>	<b>610.31</b>	<b>3,965.17</b>
Unallocated corporate liabilities .....	3,890.89	7,144.51
<b>Total liabilities.....</b>	<b>4,501.20</b>	<b>11,109.68</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 35.4 Other segment information

Particulars	Depreciation and amortisation	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Property division.....	165.22	141.24
Trading .....	0.09	0.09
Unallocable.....	83.65	83.64
<b>Total</b> .....	<b>248.96</b>	<b>224.97</b>

Particulars	Additions to non-current assets	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Property division.....	935.72	102.35
Trading .....	—	—
Unallocable.....	—	—
<b>Total</b> .....	<b>935.72</b>	<b>102.35</b>

### 35.5 Information about geographical areas

The Company presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India nor any of its non-current asset is located outside India.

### 35.6 Information about major customers

Included in revenue arising from direct sales of trading goods of ₹ 1591.65 Lakhs (year ended March 31, 2022: ₹ 565.14 Lakhs) which arose from sales to its two (previous year: three) major customers which accounts for 65.42 percent (year ended March 31, 2022: 70.03 percent) of the total revenue from trading operations.

There is no revenue arising from direct sales of property division during current year whereas during year ended March 31, 2022 it was ₹ 42,733 Lakhs which arose from sales to only one customers which accounts for 100 percent.

No other single trading customer contributed 10% or more to the company's revenue for year ended March 31, 2023 and year ended March 31, 2022.

### 36. Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Basic earnings per share.....	3.15
Diluted earnings per share.....	3.15	28.53

#### 36.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Profit for the year attributable to owners of the Company.....	2,028.60
Less: Preference dividend and tax thereon.....	—	—
Earnings used in the calculation of basic earnings per share.....	2,028.60	18,355.06
Weighted average number of equity shares.....	64,328,941	64,328,941

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**36.2 Diluted Earnings Per Share**

The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year used in the calculation of basic earnings per share.....	2,028.60	18,355.06
Add: adjustments on account of dilutive potential equity shares.....	—	—
Earnings used in the calculation of diluted earnings per share .....	2,028.60	18,355.06
Weighted average number of equity shares.....	64,328,941	64,328,941

**36.3 Reconciliation of weighted average number of equity shares**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Weighted average number of equity shares used in the calculation of Basic EPS</b> .....	<b>64,328,941</b>	<b>64,328,941</b>
Add: adjustments on account of dilutive potential equity shares.....	—	—
<b>Weighted average number of equity shares used in the calculation of Diluted EPS</b> .....	<b>64,328,941</b>	<b>64,328,941</b>

**37. Employee benefits**

**i) Defined Contribution Plan**

The Company's contribution to Provident fund and other funds aggregating during the year ended March 31, 2023 is ₹ 26.34 Lakhs (and during the year ended March 31, 2022: ₹ 26.89 Lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

**ii) Defined Benefit Plans:**

**Gratuity**

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the previous year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs, for those employees who are getting benefit as per Payment of Gratuity Act, 1972. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

**Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:**

**(1) Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**(2) Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**(3) Investment Risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**(4) Asset Liability Matching Risk:**

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**(5) Mortality risk:**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
<b>(i) Financial assumptions</b>		
Discount rate (p.a.) .....	7.35%	6.41%
Salary escalation rate (p.a.).....	4.00%	4.00%
Rate of employee turnover (p.a.).....	2.00%	2.00%
<b>(ii) Demographic assumptions</b>		
Mortality rate .....	<b>Indian Assured Lives 2012-14</b>	<i>Indian Assured Lives 2012-14</i>

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost.....	0.34	0.35
Past service cost and (gains)/losses from settlements.....	—	—
Net interest expense .....	(0.42)	7.31
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(0.08)</b>	<b>7.66</b>
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising form changes in financial assumptions .....	(0.19)	(0.06)
Actuarial (gains)/loss arising form changes in demographic assumptions .....	—	—
Actuarial (gains)/loss arising form experience adjustments.....	(10.90)	(9.57)
Return on plan assets (excluding amount included in net interest expense).....	2.18	(4.63)
Adjustment to recognise the effect of asset ceiling.....	—	—
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(8.91)</b>	<b>(14.26)</b>
<b>Total</b> .....	<b>(8.99)</b>	<b>(6.60)</b>

**Notes:**

- The Current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the statement of profit and loss.
- The remeasurement of the net define benefits liability is included in other comprehensive income for the year ended March 31, 2023 and March 31, 2022.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year.....	(268.36)	(277.86)
Fair value of plan assets at the end of the year.....	283.96	284.46
<b>Funded status -Surplus/ (Deficit) .....</b>	<b>15.60</b>	<b>6.60</b>

Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening of defined benefit obligation.....	277.86	270.73
Current service cost.....	0.34	0.35
Past service cost.....	—	—
Interest on defined benefit obligation.....	17.81	16.41
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions .....	(0.19)	(0.06)
Actuarial loss / (gain) arising from change in demographic assumptions .....	—	—
Actuarial loss / (gain) arising on account of experience changes ...	(10.90)	(9.57)
Benefits paid .....	(16.56)	—
<b>Closing of defined benefit obligation .....</b>	<b>268.36</b>	<b>277.86</b>

Movement in the fair value of the plan assets are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets.....	284.46	150.11
Employer contribution .....	—	120.62
Interest on plan assets.....	18.24	9.10
Administration expenses .....	—	—
Remeasurement due to:		
Return on Plan Assets , Excluding Interest Income.....	(2.18)	4.63
Benefits paid .....	(16.56)	—
Assets distributed on settlement.....	—	—
<b>Closing of defined benefit obligation .....</b>	<b>283.96</b>	<b>284.46</b>

Major category of plan assets (as a percentage of total plan assets)

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate bonds .....	63.40	51.36
Government securities .....	43.88	48.39
Special Deposits Scheme .....	62.45	62.45
Insurance fund .....	—	—
Others.....	114.23	122.26
<b>Total .....</b>	<b>283.96</b>	<b>284.46</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 1%.

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
<b>a) Discount rate</b>		
As at March 31, 2023 .....	<b>(0.18)</b>	<b>0.20</b>
As at March 31, 2022 .....	<i>(0.14)</i>	<i>0.16</i>
<b>b) Salary Escalation Rate</b>		
As at March 31, 2023 .....	<b>0.21</b>	<b>(0.18)</b>
As at March 31, 2022 .....	<i>0.17</i>	<i>(0.15)</i>
<b>c) Employee Turnover Rate</b>		
As at March 31, 2023 .....	<b>0.03</b>	<b>(0.04)</b>
As at March 31, 2022 .....	<i>0.02</i>	<i>(0.02)</i>

### Notes:

- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to contribute ₹ nil (as at March 31, 2022: ₹ Nil) to the gratuity trusts during the next financial year.

### Maturity profile of defined benefit obligation:

#### Maturity Analysis of the Benefit Payments: From the Fund

Projected benefits payable in future years from the date of reporting

Particulars	As at March 31, 2023	As at March 31, 2022
1 <sup>st</sup> following year .....	<b>266.59</b>	276.47
2 <sup>nd</sup> following year.....	<b>0.05</b>	0.03
3 <sup>rd</sup> following year.....	<b>0.06</b>	0.05
4 <sup>th</sup> following year.....	<b>0.06</b>	0.05
5 <sup>th</sup> following year.....	<b>0.07</b>	0.05
Sum of years 6 to 10.....	<b>1.36</b>	0.27
Sum of Years 11 and above .....	<b>2.90</b>	2.58

The weighted average duration of the defined benefit obligation as at March 31, 2023: 1 years (March 31, 2022:1 years)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**38. Financial instruments**

**38.1 Capital management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt offset by cash and bank balances and total equity of the Company.

**Gearing ratio**

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (Borrowing and lease liabilities).....	2,648.64	2,607.31
Cash and cash equivalents .....	244.98	7,117.75
<b>Net debt</b> .....	<b>2,403.66</b>	<b>(4,510.44)</b>
Total equity .....	<b>19,915.98</b>	<b>19,486.69</b>
Net debt to equity ratio .....	<b>0.12</b>	<b>(0.23)</b>

**38.2 Categories of financial instruments:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Investment in equity instruments .....	985.06	3,479.85
Investment in mutual funds.....	4,244.76	4,172.68
Investment in preference shares .....	864.74	864.74
Investment in unsecured debentures .....	—	—
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>		
Investment in equity instruments .....	1,204.61	1,204.61
<b>Measured at amortised cost</b>		
Trade receivables.....	4,084.32	246.98
Loans.....	201.34	197.74
Cash and bank balances .....	300.15	7,152.69
Other financial assets .....	164.44	223.00
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings .....	2,442.71	2,570.16
Trade payables.....	423.06	647.46
Other financial liabilities .....	360.22	3,595.16

**38.3 Financial risk management objectives**

The company monitors and manages the financial risks to the operations of the company. These risks include market risk, credit risk, interest risk and liquidity risk.

**A. Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company uses its own trading records to rate its major customers. The Company's exposure to financial loss from defaults are continuously monitored.

Trade receivables consist of a large number of customers, spread across various geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### B. Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash to meet obligations when due.

The Company continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

#### Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:

	Upto One year	1-5 years	Total
<b>March 31, 2023</b>			
Borrowings.....	—	2,442.71	2,442.71
Trade payables.....	423.06	—	423.06
Other financial liabilities .....	360.22	—	360.22
<b>March 31, 2022</b>			
Borrowings.....	2,570.16	—	2,570.16
Trade Payables .....	647.46	—	647.46
Other financial liabilities .....	3,595.16	—	3,595.16

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

#### Financing facilities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured loan facilities from IIFL Wealth Prime Limited		
- amount used.....	2,442.71	2,570.16
- amount unused.....	2,557.29	2,429.84
<b>Total .....</b>	<b>5,000.00</b>	<b>5,000.00</b>

### C. Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies.

#### i) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is domiciled in India and has its revenues and other major transactions in its functional currency i.e. INR. Accordingly the Company is not exposed to any currency risk.

#### ii) Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

The Company has borrowed funds with both fixed and floating interest rate.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate borrowing</b>		
Term loan from financial institutions		
- IIFL Wealth Prime Limited.....	<b>2,442.71</b>	2,570.16
<b>Total Borrowings</b> .....	<b>2,442.71</b>	2,570.16

**Interest rate sensitivity**

A change of 1% in interest rates on floating rate borrowing would have following impact on profit before tax:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1% increase in interest rate – decrease in profit.....	<b>(22.39)</b>	(30.67)
1% decrease in interest rate – increase in profit.....	<b>22.39</b>	30.67

**39. Fair Value Measurement**

**39.1 Fair value of the financial assets that are measured at fair value on a recurring basis**

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	March 31, 2023	March 31, 2022				
<b>A) Financial assets</b>						
a) Investments in						
i) Equity shares (Quoted)	<b>985.06</b>	3,479.85	Level 1	Quoted bid prices in an active market	NA	NA
ii) Equity shares (Unquoted)	<b>1,204.61</b>	1,204.61	Level 3	Discounted Cash Flow Method based on future cash flows	Discount rate is determined using cost of equity i.e. capitalisation rate	A significant increase in the discount rate in isolation would result in a significant decrease in the fair value.
iii) Preference shares (Unquoted)	<b>864.74</b>	864.74	Level 3	Discounted Cash Flow method based on projections and estimates of future financial performance	Discount rate of 37.9% i.e. cost of equity. Revenue- Revenue growth is expected to decline linearly in a high growth phase and stabilize in mature phase.	A significant increase in the discount rate in isolation would result in a significant decrease in the fair value.
iv) Mutual fund	<b>4,244.76</b>	4,172.68	Level 1	NAV in an active market	NA	NA
<b>Total financial assets</b>	<b>7,299.17</b>	9,721.88				

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

As at the reporting date, the Company does not have any financial liability measured at fair values.

### 39.2 Inter Level transfers

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year

### 39.3 Reconciliation of Level 3 fair value

Particulars	Unlisted equity instruments measured at FVTPL	Unlisted preference shares measured at FVTPL	Total
<b>For the year ended</b>			
<b>As at April 1, 2021</b> .....	1,204.61	864.74	2,069.35
Total gains or (losses) recognised in profit or loss.....	—	—	—
Purchases.....	—	—	—
Disposals/settlements.....	—	—	—
<b>As at March 31, 2022</b> .....	1,204.61	864.74	2,069.35
Total gains or losses recognised in profit or loss.....	—	—	—
Purchases.....	—	—	—
Disposals/settlements.....	—	—	—
<b>As at March 31, 2023</b> .....	1,204.61	864.74	2,069.35

### 39.4 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

## 40. Related parties transactions

### 40.1 Names of the related parties and related party relationships

Particulars	Relationship as at	
	March 31, 2023	March 31, 2022
Standard Salt Works Limited.....	Subsidiary	Subsidiary
Mafatlal Enterprises Limited.....	Subsidiary	Subsidiary
Shanudeep Private Limited.....	KMP of the Company has Significant influence over this entity	KMP of the Company has Significant influence over this entity
AAK legal.....	KMP of the Company has Significant influence over this entity	KMP of the Company has Significant influence over this entity
<b>Key Management Personnel</b>		
Pradeep R. Mafatlal.....	Chairman	Chairman
Divya P. Mafatlal.....	Director	Director
Dhansukh H. Parekh.....	Executive Director	Executive Director
Shobhan Diwanji.....	Director	Director
Aziza A Khatri (upto 28.11.2022).....	Director	Director
Tashwinder Singh.....	Director	Director
Khurshed M. Thanawalla (w.e.f 19.05.2022).....	Director	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Relationship as at	
	March 31, 2023	March 31, 2022
Tanaz B. Panthaki .....	<b>Vice president (legal) &amp; Company Secretary</b>	<i>Vice president (legal) &amp; Company Secretary</i>
Jayantkumar R. Shah .....	<b>Chief financial officer</b>	<i>Chief financial officer</i>

**40.2 Details of related party transactions**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Shanudeep Private Limited</b>		
Leave and license fees .....	97.20	97.20
Corporate office and service facilities .....	130.68	130.68
Payment of common expenses .....	21.60	20.04
<b>Standard Salt Works Limited</b>		
Advances given during the year .....	0.03	0.09
Advances received back during the year .....	0.03	0.09
<b>Mafatlal Enterprises Limited</b>		
Advances given during the year .....	0.50	0.80
Advances received back during the year .....	—	0.08
<b>AAK Legal</b>		
Legal and professional fees .....	3.16	2.54
Reimbursement of expenses .....	—	1.25

**40.3 Details of related party closing balances**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Mafatlal Enterprises Limited</b>		
Advances receivable .....	1.50	1.00

**40.4 Compensation of key managerial personnel**

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits .....	82.39	80.51
Post-employment benefits .....	—	—
Other long-term benefits .....	—	—
Termination benefits .....	—	—
<b>Total</b> .....	<u>82.39</u>	<u>80.51</u>
<b>Sitting fee paid to directors</b> .....	<u>9.04</u>	<u>7.80</u>

As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.



# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 41. Contingent liabilities and commitments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contingent liabilities (to the extent not provided for)</b>		
a). 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.	469.94	469.94
b). 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.	1,375.74	1,375.74
c). 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'ble High Court of Judicature at Bombay granted a stay against the unfavourable Order of the Small Causes Court and directed the Company to deposit an amount of ₹ 1,153.26 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/paid 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.	1,364.17	1,364.17
d). Disputed demand of Income Tax for the assessment year 2018-19 against which the appeal is made to Appellate Authority. The Company is confident that the case can be successfully contested.	156.31	156.31

#### Notes:

- (i) The above claims are pending before various Authorities / court. The Company is confident that the cases will be successfully contested.
- (ii) There are no capital commitments

### 42. Deferred tax asset (net)

Components of deferred tax assets/(liabilities) are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax asset/(liability) created on:</b>		
Property, plant and equipment and intangible .....	(431.79)	(237.68)
Provisions.....	11.92	12.84
Leases.....	1.59	—
Trade receivables.....	107.31	107.31
Other assets.....	48.72	48.72
Investments .....	(635.60)	484.13
Borrowings .....	—	—

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carry forward business loss and depreciation .....	1,728.28	1,982.65
<b>Deferred tax assets/(liability).....</b>	<b>830.43</b>	<b>2,397.97</b>

The Company has not recognised deferred tax assets on all deductible temporary differences based on the certainty and virtual certainty requirement as per Ind AS 12 Income taxes.

**42.1 Details of the amount of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet:**

Particulars	As at March 31, 2023	As at March 31, 2022
Business losses .....	6,866.41	7,877.05
Carry forward depreciation.....	—	—

The unrecognised tax credits with respect to business losses will expire between Assessment year 2029-30.

**42.2** The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**42.3** The Company had opted Tax U/s. 115BAA applicable to Domestic Companies w.e.f Financial year 2021-2022 and accordingly, tax expenses has been calculated and provided for.

**43. Additional regulatory information as required by Schedule III to the Companies Act, 2013**

**I. Ratio Analysis and its elements**

The % change given below is only for indicative purposes and does not reflect the actual variance and cannot be considered as an indicator of financial performance.

**a) Current Ratio = Current assets divided by Current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets* .....	10,844.34	16,369.44
Current liabilities.....	1,366.10	10,526.02
<b>Ratio (In times).....</b>	<b>7.94</b>	<b>1.56</b>
<b>% Change from previous year.....</b>	<b>80.35%</b>	

\* Current assets includes total current assets other than asset held for sale.

**Reason for change more than 25%:**

The ratio has improves from 1.56 in FY 21-22 to 7.94 in FY 22-23 mainly on account of revenue recognised in other operating income in the current reporting period that was included in the contract liability balance (advances from customer) at the beginning of the period. Additionally the period of borrowing has been extended, therefore the borrowing becomes Non-current borrowing as compared to previous year.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### b) Return on Equity Ratio = Net profit after tax divided by average equity

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Net profit after tax .....	2,037.51	18,369.32
Total equity* .....	19,701.34	10,270.18
<b>Ratio</b> .....	<b>0.10</b>	<b>1.78</b>
<b>% Change from previous year</b> .....	<b>(1619.79%)</b>	

\* Average equity represents the average of opening and closing total equity.

#### Reason for change more than 25%:

The ratio decreases from 1.78 in FY 21-22 to 0.10 in FY 22-23 mainly on account of reduction in revenue on account of revenue recognised on assignment of leasehold land during the year ended March 31, 2022.

### c) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Cost of materials consumed* .....	1,510.03	18,293.78
Average Inventory** .....	—	4,494.94
<b>Ratio (In times)</b> .....	<b>—</b>	<b>4.07</b>
<b>% Change from previous year</b> .....	<b>0.00%</b>	

\* Cost of material consumed comprises of cost of lease land and related cost, purchases of stock-in-trade and changes in inventories of stock-in-trade.

\*\* Average Inventory represents the average of opening and closing inventory and property under development.

#### Reason for change more than 25%:

As there are no closing inventory as at March 31, 2023, this ratio is not comparable.

### d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Credit Sales* .....	1,591.65	43,560.14
Average Trade Receivables # .....	2,165.65	884.16
<b>Ratio (In times)</b> .....	<b>0.73</b>	<b>49.27</b>
<b>% Change from previous year</b> .....	<b>(6603.46%)</b>	

\* Credit sales includes sale of products, services and scrap sales.

# Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing trade receivables.

#### Reason for change more than 25%:

This Ratio is not comparable as previous year Sales includes Assignment of leasehold Rights under Revenue from operations.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**e) Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
Credit Purchases* .....	1,510.03	18,293.78
Closing Trade Payables# .....	535.26	627.90
<b>Ratio (In times)</b> .....	<b>2.82</b>	<b>29.13</b>
<b>% Change from previous year</b> .....	<b>(932.74%)</b>	

\* As there are no direct purchases, Credit purchases is equivalent to Cost of material consumed which comprises of cost of lease land and related cost, purchases of stock-in-trade and changes in inventories of stock-in-trade.

\*\* Average Inventory represents the average of opening and closing inventory.

**Reason for change more than 25%:**

The ratio moves from 29.13 in FY 21-22 to 2.82 in FY 22-23, mainly due to last year costs includes cost on account of assignment of leasehold land.

**f) Net Capital Turnover Ratio = Sales divided by Net Working capital**

Particulars	As at March 31, 2023	As at March 31, 2022
Sales (A) .....	1,591.65	43,560.14
Current Assets (B) .....	10,844.34	16,369.44
Current Liabilities (C) .....	1,366.10	10,526.02
Net Working Capital (D = B - C) .....	9,478.24	5,843.42
<b>Ratio (In times) (E = A / D)</b> .....	<b>0.17</b>	<b>7.45</b>
<b>% Change from previous year</b> .....	<b>(4339.18%)</b>	

**Reason for change more than 25%:**

The ratio changes from 7.45 in FY 21-22 to 0.17 in FY 22-23 mainly on account of revenue recognised on account of assignment of leasehold land and its corresponding impact in net working capital in previous year. Additionally the period of borrowing has been extended, therefore the borrowing becomes Non-current borrowing as compared to previous year.

**g) Net profit ratio = Net profit before tax divided by Sales**

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit before tax .....	2,228.60	22,005.06
Sales .....	1,591.65	43,560.14
<b>Ratio</b> .....	<b>140%</b>	<b>51%</b>
<b>% Change from previous year</b> .....	<b>63.92%</b>	

**Reason for change more than 25%:**

This Ratio is not comparable as previous year Profit includes Assignment of leasehold Rights under Revenue from operations.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by average Capital Employed

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Profit before tax (A).....	2,228.60	22,005.06
<b>EBIT (B)=(A)</b> .....	<b>2,228.60</b>	<b>22,005.06</b>
Total Assets (C).....	24,417.18	30,596.37
Current Liabilities (D).....	1,366.10	10,526.02
<b>Capital Employed (E)=(C)-(D)</b> .....	<b>23,051.08</b>	<b>20,070.35</b>
<b>Ratio (In %)</b> .....	<b>10%</b>	<b>110%</b>
<b>% Change from previous year</b> .....	<b>(1034.04%)</b>	

#### Reason for change more than 25%:

This Ratio is not comparable as previous year Profit includes Assignment of leasehold Rights under Revenue from operations. Additionally the period of borrowing has been extended, therefore the borrowing becomes Non-current borrowing as compared to previous year.

### i) Debt Equity ratio = Long term debt divided by average equity

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Long-term Debts .....	2,442.71	2,570.16
Shareholder's funds .....	19,915.98	19,486.69
<b>Ratio (In %)</b> .....	<b>0.12</b>	<b>0.13</b>
<b>% Change from previous year</b> .....	<b>(7.54%)</b>	

#### Reason for change more than 25%: NA

### j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Profit after tax (A).....	2,028.60	18,355.06
<b>Add: Non cash operating expenses and finance cost</b>		
-Depreciation and amortisation (B).....	248.96	224.97
-Finance cost (C).....	648.54	439.01
Total Non-cash operating expenses and finance cost (Pre-tax) (D= B+C)...	897.50	663.98
Total Non-cash operating expenses and finance cost (Post-tax) (E = D (1-Tax rate)).....	671.60	491.35
<b>Earnings available for debt services (F = A+E)</b> .....	<b>2,700.20</b>	<b>18,846.41</b>
<b>Debt service</b>		
Interest (G).....	632.93	430.99
Lease payments (H).....	97.20	97.20
Principal repayments (I).....	127.45	2,626.20
Total Interest and principal repayments (J = G + H + I).....	857.58	3,154.39
<b>Ratio (In times) (J = F / I)</b> .....	<b>3.15</b>	<b>5.97</b>
<b>% Change from previous period / year</b> .....	<b>(89.75%)</b>	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**Reason for change more than 25%:**

The ratio decreases from 5.97 in FY 21-22 to 3.15 in FY 22-23 mainly on account of increase in profit on account of revenue recognised on assignment of leasehold land and also repayment of borrowing during the year ended March 31, 2022.

**II. Other Statutory Information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company did not have any transactions with Companies struck off.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the respective financial years / period.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (v) (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

- (vi) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- (vii) The Company has not made any delay in Registration of Charges under the Companies Act, 2013.

**44.** The code of Social Security , 2020 ("Code") relating to employee benefits during employment and post-employment benefits has been notified in the Official Gazette on 29<sup>th</sup> September, 2020. The draft rules have been released on November 13, 2020 and suggestions invited from stakeholders are under consideration by the Ministry. The impact of the change will Reassessed and accounted in the period in which said rules are notified for implementation.

**45.** During the previous Financial year ended on March 31, 2022, the Company has received approval from MIDC and has entered into "Deed of Transfer and Assignment of Leasehold Rights" of 62.25 acres of Company's leasehold property situated at Plot No.4, Trans Thane Creek Industrial Area, in the villages of Ghansoli & Savali, Taluka Thane ("Property"), with Support Properties Private Limited on March 31, 2022 to transfer and assign all its leasehold rights in the said property and Sub-station Building situated thereon at a consideration of ₹ 427.33 crores.

**46(a)** During the previous Financial year ended on March 31, 2022, In terms of Agreement/Understanding entered with buyer K. Raheja Private Limited, the Company has assigned all rights and interest concerning entitlement of Transferable Development Right (TDR) with respect to its land situate at Sewree, which the Company is entitled in terms of Notification dated 16.11.2016 under the Development Control Regulations of Greater Mumbai 1991.

However, inspite of the Company's following-up on its application for TDR under DCR Regulation, the Company was unable to obtain the DRC from the authorities. Due to the continuing uncertainty in the matter, the Company and K.Raheja Private Limited decided to terminate the MOU and accordingly, a Deed of Cancellation dated 1<sup>st</sup> January, 2022 was executed by the Company and K. Raheja Private Limited.

Consequently the gain arising from the Assignment of TDR entitlement of ₹ 3503.13 lakhs has been reversed during the previous Financial year ended on March 31, 2022.

**46(b)** During the current year, on receipt of Development Rights Certificate (DRC) showing entitlement of Transfer of Development Rights (TDR) with respect to the land situated at Sewree, the Company has assigned all rights and interest concerning the said entitlement of TDR vide Agreement dated 20<sup>th</sup> October, 2022 to M/s. K.Raheja Private Limited and Feat Properties Private Limited at an aggregate price of ₹ 2875.82 lakhs and recorded a gain of ₹ 2862.00 lakhs.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

47. During the earlier periods, the unsecured loan of ₹ 5,370.00 Lakhs (including accrued interest of ₹ 1,249.18 Lakhs and business advance of ₹ 159.45 Lakhs) given to Standard Salt Works Limited (SSWL) has been converted into equity shares. Consequently, the total investment in SSWL as at March 31, 2023 aggregates ₹ 5,969.82 Lakhs. The net worth of SSWL post aforesaid conversion has become positive.

Further, in view of the long-term strategic nature of the investment in leasehold rights to salt pans and the growth prospects of the subsidiary which is engaged in the manufacture of salt from the significant leased salt pans that it is holding, no provision for diminution in the value of the investment is considered necessary at this stage.

### 48. Disclosure required by Clause 32 of the Listing Agreement (to the extent applicable)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Subsidiary Companies:		
(i) Mafatlal Enterprises Limited .....	1.50	1.00
Maximum amount outstanding .....	1.50	1.00
(ii) Standard Salt Works Limited .....	—	—
Maximum amount outstanding .....	—	—

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

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

For and on behalf of Board of Directors

P. R. MAFATLAL      *Chairman*      DIN 00015361  
DIVYA P. MAFATLAL      *Director*      DIN 00011525  
S. I. DIWANJI      *Director*      DIN 01667803  
K. M. THANAWALLA      *Director*      DIN 00201749

ARUNKUMAR K. SHAH  
PROPRIETOR  
MEMBERSHIP NO : 034606  
Mumbai, Dated: May 22, 2023

JAYANTKUMAR R. SHAH  
Chief Financial Officer  
Mumbai, Dated: May 22, 2023

D. H. PAREKH      *Executive Director*      DIN 00015734  
Mumbai, Dated: May 22, 2023



**FORM AOC -1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)**

**Statement containing salient features of financial statement of subsidiaries/associate companies/ joint ventures**

**Part “A” Subsidiaries**

<b>Sr No</b>	<b>Particulars</b>	<b>Standard Salt Works Limited</b>	<b>Mafatlal Enterprises Limited</b>
a	Share Capital	584.00	5.00
b	Reserves and Surplus	143.78	(6.23)
c	Total Assets	768.51	0.48
d	Total Liabilities	40.73	1.71
e	Details of Investments (except investment in Subsidiaries)	87.28	—
f	Turnover	557.52	—
g	Profit/(Loss) before taxation	137.60	(0.40)
h	Provision for taxation	—	—
i	Profit/(Loss) after taxation	137.60	(0.40)
j	Proposed Dividend	—	—
k	% of Shareholding	100%	100%
l	Names of subsidiaries which are yet to commence operation	NIL	NIL

**Part “B” Associates and Joint Ventures**

**Statement pursuant to section 129(3) of Companies Act, 2013 related to Associate Companies and Joint Ventures**

**Not Applicable**

# STANDARD INDUSTRIES LTD.

## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF STANDARD INDUSTRIES LIMITED

Report on the Consolidated IND AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of STANDARD INDUSTRIES LIMITED ('the Holding Company') and Standard Salt Works Limited, Mafatal Enterprise Limited ('the Subsidiaries') together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, and Consolidated Statement of Profit and Loss (including other comprehensive profit), the Consolidated Statement of Cash Flows and the consolidated statement of changes in equity and note to consolidated financial statements, for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the consolidated profit

and consolidated total comprehensive profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters as follows :-

The Key Audit Matters	How the matter was addressed in our Audit
<b>a. Adoption of Ind AS 115 – Revenue From Contracts with Customer</b>	
As described in Note No. (2.4) & Note No. (27) To the consolidated financial statements, The company adopted Ind AS 115 - Revenue from Contracts with Customers which is a new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.	We Assessed the company's process to identify the impact of adoption of the new accounting standard Our Audit Approach consisted testing of design and operating effectiveness of the internal controls and substantive testing as follows : <ul style="list-style-type: none"><li>Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variances and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.</li><li>Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts</li></ul>
<b>b. Evaluation of Uncertain Tax Positions</b>	
The company has material uncertain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes, Refer Note No. (41) of the financial statements	<ul style="list-style-type: none"><li>We obtained details of completed tax assessments and demands upto the year ended March 31, 2023 from management.</li><li>We discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions and;</li><li>Assessed management's estimate to the possible outcome of the disputed cases.</li></ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance inclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive profit, consolidated cash flows of group and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by directors of the Holding company, as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the groups is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the company's financial reporting process of the group.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are

# STANDARD INDUSTRIES LTD.

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary

for the purposes of our audit of the aforesaid Consolidated Financial Statements.

- (b) In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive profit), the consolidated changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of Group Company as on 31 March 2023, taken on record by the Board of Directors of respective Company, none of the directors of the group is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operative effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated Ind AS financial statements disclosed the impact of pending litigation on consolidated financial position of the group, as referred to in note no (41) to the consolidated financial statements.
  - (ii) Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

- (iii) There has been no delay in transferring the amount to the Investor Education and Protection Fund by the Company.
- (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- (v) As stated in Note 19.6 to the consolidated financial statements
- (a) The interim dividend declared by the Company in their Board Meeting held on 22nd May, 2023 and until the date of this report is in compliance with Section 123 of the Act.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Arunkumar K. Shah & Co  
*Chartered Accountants*  
(FRN: 126935W)

Arunkumar K. Shah  
*Proprietor*  
Membership No: 034606  
**UDIN: 23034606BGPLJP9031**

*Place: Mumbai*  
*Dated: 22<sup>nd</sup> May, 2023*

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred in paragraph 1(f) under "Report on Legal and Regulatory Requirement" section of our report of even date on the Consolidated Ind AS Financial Statement Of Standard Industries Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **Standard Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### 2. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India

### 4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**5. Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**6. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial

controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI

For Arunkumar K. Shah & Co  
*Chartered Accountants*  
(FRN: 126935W)

Arunkumar K. Shah  
*Proprietor*  
Membership No: 034606

**UDIN: 23034606BGPLJP9031**

*Place: Mumbai*  
*Dated: 22<sup>nd</sup> May, 2023*

# STANDARD INDUSTRIES LTD.

## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Note Nos.	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment.....	5	876.37	776.31
b. Right-to-use asset.....	6	199.59	32.07
c. Investment property.....	7	2,171.23	1,935.62
d. Goodwill.....	8	50.77	50.77
e. Other intangible assets.....	9	2.07	2.92
f. Financial assets.....			
i. Other investments.....	10	2,084.54	2,118.49
ii. Loans.....	11	201.34	197.74
iii. Other financial assets.....	12	136.60	70.32
g. Non-current tax assets (net).....	13	391.50	426.72
h. Other non-current assets.....	14	1,845.76	2,906.52
<b>Total non-current assets</b> .....		<b>7,959.77</b>	<b>8,517.48</b>
<b>2 Current assets</b>			
a. Inventories.....	15	195.52	90.04
b. Financial assets.....			
i. Other investments.....	10	5,301.91	7,604.48
ii. Trade receivables.....	16	4,103.74	254.17
iii. Cash and cash equivalents.....	17	285.09	7,161.57
iv. Bank balances other than (iii) above.....	17	75.48	34.94
v. Loans.....	11	0.46	0.08
vi. Other financial assets.....	12	175.49	506.59
d. Other current assets.....	14	1,163.13	1,150.58
<b>Total current assets</b> .....		<b>11,300.82</b>	<b>16,802.45</b>
<b>Total assets</b> .....		<b>19,260.59</b>	<b>25,319.93</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
a. Equity share capital.....	18	3,216.45	3,216.45
b. Other equity.....	19	11,502.02	10,935.77
<b>Total equity</b> .....		<b>14,718.47</b>	<b>14,152.22</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a. Financial liabilities.....			
i. Borrowings.....	20	2,442.71	—
ii. Lease liabilities.....	21	108.73	—
b. Provisions.....	22	583.66	597.18
<b>Total non-current liabilities</b> .....		<b>3,135.10</b>	<b>597.18</b>
<b>2 Current liabilities</b>			
a. Financial liabilities.....			
i. Borrowings.....	20	-	2,570.16
ii. Trade payables.....	23	446.58	686.78
iii. Lease liabilities.....	21	97.20	37.15
iv. Other financial liabilities.....	24	360.22	3,595.16
b. Provisions.....	22	57.31	59.44
c. Other current liabilities.....	25	107.44	255.74
d. Current tax liabilities (net).....	26	338.27	3,366.10
<b>Total current liabilities</b> .....		<b>1,407.02</b>	<b>10,570.53</b>
<b>Total liabilities</b> .....		<b>4,542.12</b>	<b>11,167.71</b>
<b>Total equity and liabilities</b> .....		<b>19,260.59</b>	<b>25,319.93</b>

See accompanying notes to the consolidated financial statements

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

ARUNKUMAR K. SHAH  
PROPRIETOR  
Membership No. 034606

Mumbai, Dated: May 22, 2023

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

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 22, 2023

For and on behalf of Board of Directors

P. R. MAFATLAL Chairman

DIN 00015361

D. H. PAREKH Executive Director

DIN 00015734

Mumbai, Dated: May 22, 2023



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

**FOR THE YEAR ENDED MARCH 31, 2023**

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Note Nos.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations.....	27	2,123.37	43,895.98
II Other income.....	28	4,520.03	2,455.06
<b>III Total income (I + II).....</b>		<b>6,643.40</b>	<b>46,351.04</b>
<b>IV Expenses</b>			
Cost of lease land and related cost.....	29	—	17,521.92
Purchases of stock-in-trade .....		1,510.03	751.09
Changes in inventories of stock-in-trade .....	30	(105.48)	(15.25)
Employee benefits expense.....	31	258.17	266.98
Finance costs .....	32	648.54	439.01
Depreciation and amortisation expense .....	33	262.92	237.72
Reversal of sale of transferrable development rights.....	46(a)	—	3,503.13
Other expenses.....	34	1,703.40	1,529.23
<b>Total expenses (IV) .....</b>		<b>4,277.58</b>	<b>24,233.83</b>
<b>V Profit before tax (III - IV) .....</b>		<b>2,365.82</b>	<b>22,117.21</b>
<b>VI Tax expenses</b>			
Current tax .....		200.00	3,650.00
Short provision of earlier years.....		—	1.27
Deferred tax .....		—	—
<b>Total .....</b>		<b>200.00</b>	<b>3,651.27</b>
<b>VII Profit for the period (V - VI).....</b>		<b>2,165.82</b>	<b>18,465.94</b>
<b>VIII Other comprehensive income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
– Remeasurements of the defined benefit plans .....		8.65	14.17
<b>IX Total comprehensive Income for the period (VII + VIII).....</b>		<b>2,174.47</b>	<b>18,480.11</b>
<b>X Earnings per equity share</b>	36		
(1) Basic (in ₹).....		3.37	28.71
(2) Diluted (in ₹).....		3.37	28.71

See accompanying notes to the consolidated financial statements

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

ARUNKUMAR K. SHAH  
PROPRIETOR  
Membership No. 034606

Mumbai, Dated: May 22, 2023

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

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 22, 2023

For and on behalf of Board of Directors

P. R. MAFATLAL *Chairman* DIN 00015361

D. H. PAREKH *Executive Director* DIN 00015734

Mumbai, Dated: May 22, 2023

# STANDARD INDUSTRIES LTD.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit for the year .....	2,365.82	22,117.21
<b>Adjustments for:</b>		
Depreciation and amortization expense .....	262.92	237.72
(Profit) on sale of property, plant and equipment (net) .....	(770.23)	(2.23)
Net (gain) arising on sale of financial assets designated as at FVTPL.....	(187.18)	(195.60)
Net (gain) arising from fair value of financial assets designated as at FVTPL ..	(453.45)	(1,995.88)
Sundry credit balances written back.....	(10.02)	(8.65)
Reversal of Sale of Transferrable Development Rights.....	—	3,503.13
Profit arising from assignment of TDR entitlement .....	(2,862.00)	—
Dividends from equity investments .....	(9.11)	(11.22)
Dividend on investments in mutual funds.....	(53.43)	(9.89)
Interest income on fixed deposits with banks .....	(36.42)	(192.26)
Interest on loans from banks and financial institutions .....	283.24	353.32
Interest on lease liability .....	15.61	8.02
Other finance cost.....	349.69	77.67
	<b>(1,104.56)</b>	<b>23,881.34</b>
<b>Movements in working capital:</b>		
(Increase) in trade and other receivables .....	(2,699.92)	(13,590.01)
(Increase)/ decrease in inventories .....	(105.48)	8,953.86
Increase/ (Decrease) in trade and other payables .....	(3,489.80)	(12,884.33)
<b>Cash generated from operations .....</b>	<b>(7,399.76)</b>	<b>6,360.86</b>
Income taxes paid.....	(3,191.97)	(319.29)
<b>Net cash generated by operating activities .....</b>	<b>(10,591.73)</b>	<b>6,041.57</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments.....	(788.73)	(3,798.68)
Sale of property, plant and equipments and TDR .....	3,457.19	9.40
Payment to acquire financial assets .....	(3,887.64)	(1,703.16)
Proceeds from sale of financial assets.....	6,864.83	4,014.14
Loan given.....	(3.60)	—
Dividend on investments.....	174.00	(120.43)
Bank deposits matured/(placed) .....	101.22	(225.66)
Interest income on fixed deposits with banks .....	51.38	202.47
<b>Net cash (used in)/generated by investing activities .....</b>	<b>5,968.65</b>	<b>(1,621.92)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2023**

*All amounts are ₹ in Lakhs unless otherwise stated*

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
<b>Cash flows from financing activities</b>		
Repayment of borrowing.....	(127.45)	(2,626.20)
Dividend paid .....	(1,593.99)	(7.68)
Interest paid on borrowings .....	(434.76)	(443.48)
Payment of lease liability .....	(97.20)	(97.20)
<b>Net cash (used in) financing activities.....</b>	<b>(2,253.40)</b>	<b>(3,174.56)</b>
<b>Net increase in cash and cash equivalents.....</b>	<b>(6,876.48)</b>	<b>1,245.09</b>
Cash and cash equivalents at the beginning of the year .....	<b>7,161.57</b>	<b>5,916.48</b>
<b>Cash and cash equivalents at the end of the year.....</b>	<b>285.09</b>	<b>7,161.57</b>

**See accompanying notes to the consolidated financial statements**

**Notes:**

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

In terms of our report attached		For and on behalf of Board of Directors	
For, Arunkumar K. Shah & Co. Chartered Accountants FRN : 126935W	TANAZ B. PANTHAKI Vice President (Legal) & Company Secretary	P. R. MAFATLAL <i>Chairman</i>	DIN 00015361
ARUNKUMAR K. SHAH PROPRIETOR Membership No. 034606 Mumbai, Dated: May 22, 2023	JAYANTKUMAR R. SHAH Chief Financial Officer  Mumbai, Dated: May 22, 2023	D. H. PAREKH <i>Executive Director</i>	DIN 00015734
		Mumbai, Dated: May 22, 2023	

# STANDARD INDUSTRIES LTD.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

All amounts are ₹ in Lakhs unless otherwise stated

### a. Equity share capital

	No. of shares	Amount
<b>For the year ended March 31, 2023</b> .....		
Balance at April 1, 2022 .....	64,328,941	3,216.45
Changes in equity share capital due to prior period errors .....	—	—
<b>Restated balance at April 1, 2022</b> .....	<u>64,328,941</u>	<u>3,216.45</u>
Changes in equity share capital during the year .....	—	—
<b>Balance at March 31, 2023</b> .....	<u><b>64,328,941</b></u>	<u><b>3,216.45</b></u>
<b>For the year ended March 31, 2022</b> .....		
Balance at April 1, 2021 .....	64,328,941	3,216.45
Changes in equity share capital due to prior period errors .....	—	—
<b>Restated balance at April 1, 2021</b> .....	<u>64,328,941</u>	<u>3,216.45</u>
Changes in equity share capital during the year .....	—	—
<b>Balance at March 31, 2022</b> .....	<u><b>64,328,941</b></u>	<u><b>3,216.45</b></u>

**STATEMENT OF CHANGES IN EQUITY** (Contd.)

**FOR THE YEAR ENDED MARCH 31, 2023**

All amounts are ₹ in Lakhs unless otherwise stated

**b. Other equity**

For the year ended March 31, 2023

**Particulars**

Particulars	Reserves & surplus					Retained earnings	Total
	General reserve	Securities premium reserve	Capital redemption reserve	Capital reserve-cash subsidy	Remeasurement of defined benefit obligations (OCI)		
<b>Balance at April 1, 2022</b>	800.00	2,526.90	12.00	4.14	(115.70)	7,708.43	10,935.77
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—
<b>Restated balance at April 1, 2022</b>	800.00	2,526.90	12.00	4.14	(115.70)	7,708.43	10,935.77
Profit for the year	—	—	—	—	—	2,165.82	2,165.82
Dividend on equity shares paid	—	—	—	—	—	(1,608.22)	(1,608.22)
Remeasurement of defined benefit obligations for the year	—	—	—	—	8.65	—	8.65
<b>Balance at March 31, 2023</b>	<b>800.00</b>	<b>2,526.90</b>	<b>12.00</b>	<b>4.14</b>	<b>(107.05)</b>	<b>8,266.03</b>	<b>11,502.02</b>
<b>For the year ended March 31, 2022</b>							
<b>Balance at April 1, 2021</b>	800.00	2,526.90	12.00	4.14	(129.87)	(10,757.51)	(7,544.34)
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—
<b>Restated balance at April 1, 2021</b>	800.00	2,526.90	12.00	4.14	(129.87)	(10,757.51)	(7,544.34)
Profit for the year	—	—	—	—	—	18,465.94	18,465.94
Remeasurement of defined benefit obligations for the year	—	—	—	—	14.17	—	14.17
<b>Balance at March 31, 2022</b>	<b>800.00</b>	<b>2,526.90</b>	<b>12.00</b>	<b>4.14</b>	<b>(115.70)</b>	<b>7,708.43</b>	<b>10,935.77</b>

Refer note 19 for nature of reserves.

**See accompanying notes to the consolidated financial statements**

In terms of our report attached

For and on behalf of Board of Directors

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

P. R. MAFATLAL Chairman DIN 00015361

ARUNKUMAR K. SHAH  
PROPRIETOR  
Membership No. 034606  
Mumbai, Dated: May 22, 2023

D. H. PAREKH Executive Director DIN 00015734

Mumbai, Dated: May 22, 2023

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

Standard Mills Company Limited was incorporated in India 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 'Holding Company') in October 1989. The Holding Company has two wholly owned (100%) subsidiaries namely i) Standard Salt Works Limited ii) Mafatlal Enterprises Limited.

The holding Company was engaged in the business of manufacturing textiles, chemicals and garments. Presently, the Company is in the business of property division (previously known as real estate) and trading in textiles and chemicals. The property division comprises of assets which are in excess of business needs, which the Company would liquidate based on the market condition.

The Subsidiary Company Standard Salt Works Limited is engaged in the business of manufacturing of Common Salt.

The Board of Directors approves the consolidated financial statements for issue on May 22, 2023.

### 2. Significant accounting policies:

#### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

#### 2.2. Basis of preparation and presentation

##### 2.2.1 Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

##### 2.2.2 Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS 1 Presentation of financial statements.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

The aforesaid consolidated financial statement have been prepared in Indian Rupee (₹) and denominated in Lakhs.

**2.3. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries (together the 'Group').

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill arising on consolidation is not amortised and it is tested for impairment on annual basis.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiaries	Country of Incorporation	Principal Place of Business	Effective percentage of shareholding	
				As at March 31, 2023	As at March 31, 2022
1	Standard Salt Works Limited	India	India	100%	100%
2	Mafatlal Enterprises Limited	India	India	100%	100%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.4. Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

#### **Sale of goods:**

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

#### **Rendering of services:**

Revenue from services is recognised (net of service tax/goods and services tax, as applicable) by reference to the stage of completion of the contract.

#### **Royalties:**

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

#### **Interest and dividend income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### 2.5. Leasing

#### **The Group as lessor:**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

#### **The Group as lessee:**

The Group's lease asset class consist of leases for land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, their recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash-flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.6. Foreign currencies**

The functional currency of each individual group entity is determined on the basis of the primary economic environment in which each entity of the group operates. The functional currency of each of the group entities is Indian National Rupee (₹).

The transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.7. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.8. Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

**2.9. Employee benefits****2.9.1. Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.9.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 2.9.3. Provident Fund

Eligible employees of Standard Industries Limited receive the benefits from provident Fund which is defined benefit plan. Both the eligible employee and the Company contributes monthly to the provident fund plan equal to a specified percentage of covered employee's salary. Company contributes a portion of the contribution to Mafatal Galgalbhai & Sons and the Associated Concerns' Employee's Provident Fund (TRUST). The Trust invests in specified designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund.

In respect of subsidiaries, eligible employees receive the benefits from provident Fund which is defined benefit plan. Eligible employee and the Company contributes monthly to the provident fund plan equal to a specified percentage of covered employee's salary. The amount collected under the provident Fund plan are deposited in government administered provident fund.

### 2.9.4. Superannuation

Certain employees of Standard Industries Limited are covered under superannuation scheme and company contributes to the plan yearly to the Mafatal Galgalbhai & Sons and the Associated Concerns' Officers' Superannuation Scheme (Trust). No further obligation to plan. The corpus of which is invested with Life Insurance Corporation of India.

## 2.10. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” under the deferred tax assets. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**2.11. Property, plant and equipment**

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy and includes all other expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting period in which they are incurred.

Stores and tools are acquired as and when required and treated as consumed in the year of acquisition.

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for computers (desktops, laptops, etc.) has been assessed for 6 years based on technical advice, taking in to account the nature of the assets, the estimated usage of the asset, the operation condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

**Estimated useful lives of the assets are as follows:**

<b>Class of assets</b>	<b>Years</b>
Buildings .....	30 - 60 years
Plant and machinery .....	6 - 15 years
Furniture and fixtures .....	10 years
Office equipment .....	5 - 15 years
Vehicles .....	8 - 10 years
Washery plant.....	10 years
Salt works- reservoirs, salt pans.....	10 years

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.12. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 2.13. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Software .....	6 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2.14. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**2.15. Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**2.16. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.17. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, overdrawn bank balances, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.18. Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**2.19. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows: and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets: and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments, which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurements recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group has equity investments in an entity which is not held for trading. The Group has elected the FVTOCI irrevocable option for this investment (see note 10). Fair value is determined in the manner described in note 38.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss is included in the 'Other income' line item.

**Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

**Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**2.20. Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

### **Other financial liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **2.21. Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of directors, they constitute as CODM.

### **2.22. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

### 3. Critical estimates and judgements

In the course of applying the policies outlined in all notes above, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### A. Key sources of estimation uncertainty

##### i. Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the management.

##### ii. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

##### iii. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

##### iv. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

##### v. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 4. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

#### b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

#### c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

5. Property, plant and equipment

Description of assets	Freehold land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Salt Works - Reservoirs, Salt Pans	Washery Plant	Total
<b>Cost</b>									
As at April 1, 2021.....	1.40	84.62	170.36	100.18	36.92	639.85	14.26	76.73	1,124.32
Additions .....	13.82	58.99	0.69	—	21.54	125.87	—	—	220.91
Disposals/ reclassifications .....	(1.40)	—	—	—	—	(12.50)	—	—	(13.90)
<b>As at March 31, 2022 .....</b>	<b>13.82</b>	<b>143.61</b>	<b>171.05</b>	<b>100.18</b>	<b>58.46</b>	<b>753.22</b>	<b>14.26</b>	<b>76.73</b>	<b>1,331.33</b>
Additions .....	—	—	15.47	0.12	5.45	244.60	—	—	265.64
Disposals/ reclassifications .....	(13.82)	—	—	—	—	(18.32)	—	—	(32.14)
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>143.61</b>	<b>186.52</b>	<b>100.30</b>	<b>63.91</b>	<b>979.50</b>	<b>14.26</b>	<b>76.73</b>	<b>1,564.83</b>
<b>Depreciation</b>									
As at April 1, 2021.....	—	14.16	60.67	50.98	17.13	267.98	6.80	26.46	444.18
Depreciation expense for the year ..	—	1.90	18.21	8.73	7.91	72.17	1.36	7.29	117.57
Eliminated on disposal of assets/ reclassifications .....	—	—	—	—	—	(6.73)	—	—	(6.73)
<b>As at March 31, 2022 .....</b>	<b>—</b>	<b>16.06</b>	<b>78.88</b>	<b>59.71</b>	<b>25.04</b>	<b>333.42</b>	<b>8.16</b>	<b>33.75</b>	<b>555.02</b>
Depreciation expense for the period .....	—	2.78	17.31	5.26	9.97	99.17	1.36	7.29	143.15
Eliminated on disposal of assets/ reclassifications .....	—	—	—	—	—	(9.71)	—	—	(9.71)
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>18.84</b>	<b>96.19</b>	<b>64.97</b>	<b>35.02</b>	<b>422.88</b>	<b>9.52</b>	<b>41.04</b>	<b>688.46</b>
<b>As at March 31, 2023 .....</b>	<b>—</b>	<b>124.77</b>	<b>90.33</b>	<b>35.33</b>	<b>28.89</b>	<b>556.62</b>	<b>4.74</b>	<b>35.69</b>	<b>876.37</b>
<b>As at March 31, 2022 .....</b>	<b>13.82</b>	<b>127.55</b>	<b>92.17</b>	<b>40.47</b>	<b>33.42</b>	<b>419.80</b>	<b>6.10</b>	<b>42.98</b>	<b>776.31</b>

5.1 There are no impairment losses recognised during the year ended March 31, 2023 and March 31, 2022.

5.2 Assets pledged as security

Buildings with a carrying amount of ₹ 44.17 Lakhs (as at March 31, 2022: ₹ 45.15 Lakhs) included in the block of buildings have been pledged to secure borrowings of the Group (see note 20). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

5.3 The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

5.4 There are no capital-work-in-progress during each reporting period and therefore Schedule III additional disclosures for ageing and completion schedule of Capital work-in-progress is not applicable.

6. Right-to-use asset

Particulars	Office premises	Total
As at April 1, 2021.....	251.14	251.14
Additions	—	—
Disposals/ reclassifications.....	—	—
<b>As at March 31, 2022 .....</b>	<b>251.14</b>	<b>251.14</b>
Additions	251.17	251.17
Disposals/ reclassifications.....	—	—
<b>As at March 31, 2023 .....</b>	<b>502.31</b>	<b>502.31</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Office premises	Total
<b>Accumulated depreciation and impairment</b>		
<b>As at April 1, 2021</b> .....	135.43	135.43
Depreciation expense for the year .....	83.64	83.64
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>219.07</b>	<b>219.07</b>
Depreciation expense for the year .....	83.65	83.65
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<b>302.72</b>	<b>302.72</b>
<b>As at March 31, 2023</b> .....	<b>199.59</b>	<b>199.59</b>
<b>As at March 31, 2022</b> .....	<b>32.07</b>	<b>32.07</b>
Refer note no 21		

### 7. Investment property

Particulars	Investment property	Total
<b>Cost</b>		
<b>As at April 1, 2021</b> .....	2,090.58	2,090.58
Additions .....	—	—
Reclassified from property, plant and equipment .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>2,090.58</b>	<b>2,090.58</b>
Additions .....	423.48	423.48
Reclassified from property, plant and equipment .....	—	—
Disposals/ reclassifications .....	(171.39)	(171.39)
<b>As at March 31, 2023</b> .....	<b>2,342.67</b>	<b>2,342.67</b>
<b>Accumulated depreciation and impairment</b>		
<b>As at April 1, 2021</b> .....	119.32	119.32
Depreciation expense for the year .....	35.64	35.64
Eliminated on disposal of assets/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<b>154.96</b>	<b>154.96</b>
Depreciation expense for the year.....	35.27	35.27
Eliminated on disposal of assets/ reclassifications .....	(18.79)	(18.79)
<b>As at March 31, 2023</b> .....	<b>171.44</b>	<b>171.44</b>
<b>As at March 31, 2023</b> .....	<b>2,171.23</b>	<b>2,171.23</b>
<b>As at March 31, 2022</b> .....	<b>1,935.62</b>	<b>1,935.62</b>

#### 7.1 Fair value of the Group's investment properties

The fair value of the Company's investment properties situated at Surat as at March 31, 2023 have been arrived at on the basis of a valuation carried out by M/s R K Patel & Co. and for other investment properties have been carried out by K.S. Shikari & Associates, independent valuers not related to the Company. The Valuers are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was derived using the market comparable approach based on recent market prices with few adjustments being made to the market observable data.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2023 and March 31, 2022 are as follows:

	Fair value as at	
	March 31, 2023	March 31, 2022
<b>Level 2</b>		
Residential units located in India - Thane .....	—	643.00
Residential units located in India - Chembur .....	635.00	635.00
Residential units located in India - Prabhadevi .....	9,200.00	9,200.00
Residential units located in India - Bhulabhai Desai Road.....	558.00	558.00
Residential units located in India - Tardeo .....	252.00	252.00
Residential units located in India - Sewree .....	162.00	365.00
Residential units located in India - Surat.....	139.71	139.71
Residential units located in India - Carmichael Road, Mumbai .....	258.00	258.00
Residential units located in India - Gopaldas Deshmukh Marg, Mumbai .....	412.48	—

**7.2 Assets pledged as security**

Buildings with a carrying amount of ₹ 441.67 Lakhs (as at March 31, 2022: ₹ 451.53 Lakhs) included in the investment property have been pledged to secure borrowings of the Group (see note 20). The Group is not allowed to pledge this asset as security for other borrowings or to sell them to another entity.

**7.3 Income and expenses related to investment property recognised on profit or loss**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income from investment property.....	3.17	39.89
Expenses arising from investment property that generated rental income....	—	—
Expenses arising from investment property that did not generate rental income .....	34.03	24.60
<b>Total Expenses</b> .....	<b>34.03</b>	<b>24.60</b>

**8. Goodwill**

	Goodwill	Total
<b>Cost</b>		
<b>As at April 1, 2021</b> .....	50.77	50.77
Additional recognised on consolidation .....	—	—
<b>As at March 31, 2022</b> .....	<b>50.77</b>	<b>50.77</b>
Additional recognised on consolidation .....	—	—
<b>As at March 31, 2023</b> .....	<b>50.77</b>	<b>50.77</b>
<b>Accumulated impairment losses</b>		
<b>As at April 1, 2021</b> .....	—	—
Impairment expenses .....	—	—
<b>As at March 31, 2022</b> .....	<b>—</b>	<b>—</b>
Impairment expenses .....	—	—
<b>As at March 31, 2023</b> .....	<b>—</b>	<b>—</b>
<b>As at March 31, 2023</b> .....	<b>50.77</b>	<b>50.77</b>
<b>As at March 31, 2022</b> .....	<b>50.77</b>	<b>50.77</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The estimated recoverable value of Goodwill exceeds its carrying amount each reporting period and therefore no impairment was recognised.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

### 9. Other intangible assets

	Software	Total
<b>Cost</b>		
<b>As at April 1, 2021</b> .....	8.88	8.88
Additions .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<u>8.88</u>	<u>8.88</u>
Additions .....	—	—
Disposals/ reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<u>8.88</u>	<u>8.88</u>
<b>Accumulated amortisation and impairment</b>		
<b>As at April 1, 2021</b> .....	5.09	5.09
Amortisation expenses .....	0.87	0.87
Eliminated on disposal of assets/reclassifications .....	—	—
<b>As at March 31, 2022</b> .....	<u>5.96</u>	<u>5.96</u>
Amortisation expenses .....	0.85	0.85
Eliminated on disposal of assets/reclassifications .....	—	—
<b>As at March 31, 2023</b> .....	<u>6.81</u>	<u>6.81</u>
<b>As at March 31, 2023</b> .....	<u>2.07</u>	<u>2.07</u>
<b>As at March 31, 2022</b> .....	<u>2.92</u>	<u>2.92</u>

9.1 The Group has not revalued its intangible assets as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

9.2 There are no intangible under development during each reporting period and therefore Schedule III additional disclosures for ageing and completion schedule of intangible under development is not applicable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

10. Other investments

	As at March 31, 2023		As at March 31, 2022	
	Qty.	Amount	Qty.	Amount
<b>Non-Current</b>				
<b>Quoted investments (all fully paid)</b>				
<b>(A) Investments in equity instruments measured at FVTPL</b>				
Nocil Limited	—	—	13,320	33.15
Stanrose Mafatlal Investment and Finance Limited	19,009	15.19	19,009	15.99
<b>Total aggregate quoted investments (A)</b>		<u>15.19</u>		<u>49.14</u>
<b>Unquoted Investments (all fully paid)</b>				
<b>(B) Investments in equity instruments measured at FVTPL</b>				
Stanrose Mafatlal Lubechem Limited	200	—	200	—
		<u>—</u>		<u>—</u>
<b>(C) Investments in equity instruments measured at FVTOCI</b>				
Duville Estate Private Limited	1,447,714	1,204.61	1,447,714	1,204.61
		<u>1,204.61</u>		<u>1,204.61</u>
<b>(D) Investments in Preference shares measured at FVTPL</b>				
Connect India E-commerce Services Private Limited	32,712	864.74	32,712	864.74
		<u>864.74</u>		<u>864.74</u>
<b>Total aggregate unquoted investments (B + C + D + E)</b>		<u>2,069.35</u>		<u>2,069.35</u>
<b>Total non-current investments (Quoted) + (Unquoted)</b>		<u>2,084.54</u>		<u>2,118.49</u>
<b>Current</b>				
<b>Quoted investments (all fully paid)</b>				
<b>(A) Investments in equity instruments measured at FVTPL</b>				
Ajanta Pharma Ltd	—	—	250	4.53
Apcotex Industries Limited	14,492	70.66	19,339	69.41
Asian Paints Ltd	—	—	2,250	69.30
Astra Microwave Products Ltd	—	—	5,000	11.25
Au Small Finance Bank Limited	13,145	76.14	6,378	79.49
Bajaj Auto Ltd	—	—	500	18.27
Bajaj Finance Ltd	—	—	1,000	72.60
Bajaj Finverv Ltd	—	—	3,035	517.78
Chalet Hotels Limited	49,489	179.72	535,671	1,619.60
Cholamandalam Financial Holdings Limited	—	—	2,000	12.37
Dalmia Bharat Limited	2,817	55.45	2,817	42.13
Data Patterns India Limited	6,809	93.67	6,714	47.19
Dr. Reddys Laboratories Limited	—	—	500	21.48
Endurance Technologies Limited	—	—	200	2.19
HDFC Bank	4,003	64.43	6,374	93.72
HDFC Limited	—	—	1,000	23.90
ICICI Bank Ltd	—	—	2,000	14.61
ICICI Lombard General Insurance	—	—	1,000	13.28
Indusind Bank Limited	4,511	48.18	4,305	40.27
Infosys Ltd.	—	—	1,750	33.37
ITC Ltd	—	—	2,000	5.01

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2022
	Qty.	Amount	Qty.	Amount
JBF Industries Ltd	—	—	13,102	1.70
Mangalam Organics Limited	—	—	2,500	22.48
Maruti Suzuki India Limited	—	—	1,000	75.61
Max Healthcare Institute Limited	15,261	67.32	16,920	58.82
Uno Minda Limited	8,912	42.87	5,014	46.75
Mphasis Ltd	—	—	50	1.69
Navin Fluorine International Ltd	—	—	2,625	107.16
PB Fintech Limited	—	—	1,000	6.94
PG Electroplast Limited	4,685	62.42	—	—
PI Industries Limited	1,993	60.39	2,055	57.94
Praj Industries Limited	13,518	46.10	16,000	63.75
Reliance Industries Limited	—	—	450	11.86
Sequent Scientific Limited	—	—	5,000	6.69
Solar Industries India Limited	1,694	64.24	2,048	57.27
Suprajit Engineering Ltd	11,103	38.28	11,103	37.99
Tata Consultancy Services Limited	—	—	500	18.70
Tech Mahindra Limited	—	—	850	12.75
Titan Company Limited	—	—	1,100	27.90
Wipro Ltd	—	—	500	2.96
		<b>969.87</b>		<b>3,430.71</b>
<b>Unquoted investments (all fully paid)</b>				
<b>(B) Investments in mutual funds measured at FVTPL</b>				
ABSL Low Duration Fund - Daily Dividend Reinvestment	659,878	659.88	311,152	311.60
Blume Ventures (Opportunities) Fund IIA	470,090	1,335.38	470,137	1,022.08
Franklin India Floating Rate Fund	63,271	6.41	60,615	6.13
HDFC Low duration Fund- Regular Plan (Daily Dividend)	15,447	1.57	14,803	1.50
HDFC Liquid Fund- Growth	148	6.47	148	6.13
HDFC Low Duration Fund Reg. Plan (Growth)	175,608	86.19	—	—
ICICI Prudential Liquid Fund (Growth)	1,393	4.61	1,393	4.36
IIFL Special Opportunities Fund - Series 5	10,296,823	659.41	10,296,823	917.84
IIFL Special Opportunities Fund - Series 7	5,856,983	659.82	5,898,192	1,070.40
IIFL India Private Equity Fund	6,133,828	888.68	6,300,523	811.26
Kotak Money Market Scheme - Regular Plan (Growth)	443	16.86	443	15.96
Kotak Money Market Scheme - Regular Plan -Daily Dividend	136	1.44	130	1.37
Kotak Low Duration Fund Standard-Weekly Dividend	389	4.23	389	4.05
		<b>4,330.95</b>		<b>4,172.68</b>
<b>(C) Investments carried at amortised cost</b>				
Investments in Government securities		1.09		1.09
		<b>1.09</b>		<b>1.09</b>
<b>Total current investments (A) + (B) + (C)</b>		<b>5,301.91</b>		<b>7,604.48</b>
<b>Aggregate book value of quoted investments</b>		<b>985.06</b>		<b>3,479.85</b>
<b>Aggregate market value of quoted investments</b>		<b>985.06</b>		<b>3,479.85</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>6,400.30</b>		<b>6,242.03</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>—</b>		<b>—</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**10.1 Category-wise other investments - as per Ind AS 109 classification**

	As at March 31, 2023	As at March 31, 2022
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>		
Investment in quoted equity shares.....	985.06	3,479.85
Investment in unquoted preference shares.....	864.74	864.74
Investment in mutual funds.....	4,330.95	4,172.68
	<u>6,180.75</u>	<u>8,517.27</u>
<b>Financial assets carried at fair value through other comprehensive income (FVTOCI)</b>		
Investment in unquoted equity shares.....	1,204.61	1,204.61
	<u>1,204.61</u>	<u>1,204.61</u>
<b>Financial assets carried at amortised cost</b>		
Investments in Government securities.....	1.09	1.09
	<u>1.09</u>	<u>1.09</u>
<b>Total</b> .....	<u>7,386.45</u>	<u>9,722.97</u>

**11. Loans**

	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
<b>Loans to others</b>		
Unsecured considered good.....	201.34	197.74
<b>Total</b> .....	<u>201.34</u>	<u>197.74</u>
<b>Current</b>		
<b>Loans to employees</b>		
Unsecured considered good.....	0.46	0.08
<b>Total</b> .....	<u>0.46</u>	<u>0.08</u>

**12. Other financial assets**

	As at March 31, 2023	As at March 31, 2022
<b>Non- current</b>		
Security deposits.....	23.47	22.77
Bank deposits with remaining maturity of more than 12 months.....	113.13	47.55
<b>Total</b> .....	<u>136.60</u>	<u>70.32</u>
<b>Current</b>		
Interest accrued but not due on bank deposits.....	1.14	16.39
Bank deposits with maturity of more than 12 months .....	88.61	295.95
Dividend receivable on mutual funds.....	30.08	141.54
Others.....	55.66	52.71
<b>Total</b> .....	<u>175.49</u>	<u>506.59</u>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 13. Non current tax asset (net)

	As at March 31, 2023	As at March 31, 2022
Advance Tax (net of provisions) .....	391.50	426.72
<b>Total</b> .....	<u>391.50</u>	<u>426.72</u>

### 14. Other assets

	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Capital advance .....	650.00	1,421.00
Advances other than capital advances		
- Amounts deposited against disputed rent .....	1,153.26	1,153.26
- Advance to creditors .....	193.58	193.58
Less: Provision for doubtful advances .....	(193.58)	(193.58)
	<u>—</u>	<u>—</u>
- Security deposits .....	5.00	5.00
- Balance with Government authorities .....	37.50	327.26
<b>Total</b> .....	<u>1,845.76</u>	<u>2,906.52</u>
<b>Current</b>		
Advances other than capital advances		
- Advance to creditors .....	52.54	67.91
- Advance to others .....	1,060.16	1,061.36
Prepaid expenses .....	32.96	19.37
Others .....	17.47	1.94
<b>Total</b> .....	<u>1,163.13</u>	<u>1,150.58</u>

### 15. Inventories

	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost and net realisable value)		
- Finished Goods .....	195.52	43.74
- Stock-in-trade .....	—	46.30
<b>Total</b> .....	<u>195.52</u>	<u>90.04</u>

The cost of inventories recognised as an expense during the year was ₹ 1404.55 Lakhs (for the year ended March 31, 2022: ₹ 735.84 Lakhs).

The mode of valuation of inventories has been stated in note 2.15.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**16. Trade Receivables**

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered good .....	145.02	65.49
Unsecured, credit impaired .....	426.34	426.34
Allowance for doubtful debts (expected credit loss allowances).....	<u>(426.34)</u>	<u>(426.34)</u>
	145.02	65.49
<b>Outstanding for a period less than six months</b>		
Unsecured, considered good .....	3,958.72	188.68
<b>Total</b> .....	<u>4,103.74</u>	<u>254.17</u>

16.1 The average credit period on sales of goods is 90 days. No interest is charged on trade receivables.

16.2 The aging schedule of Trade receivables is as follows:

**a) As at March 31, 2023**

Particulars	Outstanding for the following period :*					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
- Considered Good	3,958.72	94.76	13.98	13.28	23.00	4,103.74
- Credit impaired	—	—	—	—	426.34	426.34
<b>Disputed</b>						
- Considered Good	—	—	—	—	—	—
- Credit impaired	—	—	—	—	—	—
						4,530.08
Allowance for doubtful debts (expected credit loss allowances)						(426.34)
<b>Trade receivables</b>						<b>4,103.74</b>

**b) As at March 31, 2022**

Particulars	Outstanding for the following period :*					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
- Considered Good	188.68	5.53	12.52	38.06	9.38	254.17
- Credit impaired	—	—	—	—	426.34	426.34
<b>Disputed</b>						
- Considered Good	—	—	—	—	—	—
- Credit impaired	—	—	—	—	—	—
						680.51
Allowance for doubtful debts (expected credit loss allowances)						(426.34)
<b>Trade receivables</b>						<b>254.17</b>

\* For the purposes of presentation of the aging schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices as at each reporting date.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 16.3 Movement in the expected credit loss allowance

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year.....	426.34	426.34
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses .....	<u>—</u>	<u>—</u>
<b>Balance at end of the year.....</b>	<b><u>426.34</u></b>	<b><u>426.34</u></b>

### 17. Cash and bank balance

	As at March 31, 2023	As at March 31, 2022
<b>A. Cash and cash equivalents</b>		
Balances with banks		
- In current account.....	238.07	301.59
- In deposits account .....	30.00	6,837.08
Cash on hand.....	17.02	22.90
<b>Total .....</b>	<b><u>285.09</u></b>	<b><u>7,161.57</u></b>
<b>B. Bank balance other than cash and cash equivalent</b>		
Balances with bank in unpaid dividend account .....	49.17	34.94
Deposits with bank.....	26.31	—
<b>Total .....</b>	<b><u>75.48</u></b>	<b><u>34.94</u></b>

### 18. Equity share capital

	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>		
15,00,00,000 Equity shares of ₹ 5/- each .....	7,500.00	7,500.00
<b>Issued and subscribed capital comprises:</b>		
6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up.....	<u>3,216.45</u>	<u>3,216.45</u>
<b>Total .....</b>	<b><u>3,216.45</u></b>	<b><u>3,216.45</u></b>

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

### 18.2 Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2023	
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Stanrose Mafatlat Investment & Finance limited .....	12,404,487	19.28%
Satin Limited .....	25,000,000	38.86%
<b>As at March 31, 2022</b>		
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Stanrose Mafatlat Investment & Finance limited .....	12,404,487	19.28%
Satin Limited .....	25,000,000	38.86%

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

*All amounts are ₹ in Lakhs unless otherwise stated*

**18.3 Shares held by promoters**

<b>As at March 31, 2023</b>				
Sr No.	Promoter name	No. of shares	% of total shares	% change during the year
1	Stanrose Mafatlal Investment & Finance limited	<b>12,404,487</b>	<b>19.28%</b>	<b>0%</b>
2	Shanudeep Private Limited	<b>500,000</b>	<b>0.78%</b>	<b>0%</b>
3	Shri Pradeep Rasesh Mafatlala	<b>13,555</b>	<b>0.02%</b>	<b>0%</b>
4	Sheiladeep Investments Private Limited	<b>11,000</b>	<b>0.02%</b>	<b>0%</b>
5	Vinadeep Investments Private Limited	<b>11,000</b>	<b>0.02%</b>	<b>0%</b>
6	Gagalbhai Investments Private Limited	<b>11,000</b>	<b>0.02%</b>	<b>0%</b>
7	Pradeep Investments Private Limited	<b>11,000</b>	<b>0.02%</b>	<b>0%</b>

<b>As at March 31, 2022</b>				
Sr No.	Promoter name	No. of shares	% of total shares	% change during the year
1	Stanrose Mafatlal Investment & Finance limited	<i>12,404,487</i>	<i>19.28%</i>	<i>0%</i>
2	Shanudeep Private Limited	<i>500,000</i>	<i>0.78%</i>	<i>0%</i>
3	Shri Pradeep Rasesh Mafatlala	<i>13,555</i>	<i>0.02%</i>	<i>0%</i>
4	Sheiladeep Investments Private Limited	<i>11,000</i>	<i>0.02%</i>	<i>0%</i>
5	Vinadeep Investments Private Limited	<i>11,000</i>	<i>0.02%</i>	<i>0%</i>
6	Gagalbhai Investments Private Limited	<i>11,000</i>	<i>0.02%</i>	<i>0%</i>
7	Pradeep Investments Private Limited	<i>11,000</i>	<i>0.02%</i>	<i>0%</i>

**19. Other equity**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
<b>Reserves and surplus</b>		
General reserve	<b>800.00</b>	<i>800.00</i>
Securities premium reserve	<b>2,526.90</b>	<i>2,526.90</i>
Capital redemption reserve	<b>12.00</b>	<i>12.00</i>
Capital reserve - cash subsidy	<b>4.14</b>	<i>4.14</i>
Remeasurment of defined benefit plans (OCI)	<b>(107.05)</b>	<i>(115.70)</i>
Retained earnings	<b>8,266.03</b>	<i>7,708.43</i>
<b>Total</b>	<b><u>11,502.02</u></b>	<i><u>10,935.77</u></i>

**19.1 General Reserve**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	<b>800.00</b>	<i>800.00</i>
Transfer to retained earnings.....	<b>—</b>	<i>—</i>
<b>Balance at end of year .....</b>	<b><u>800.00</u></b>	<i><u>800.00</u></i>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 19.2 Securities premium reserve

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	2,526.90	2,526.90
Addition on account of issue of shares .....	—	—
<b>Balance at end of year .....</b>	<b><u>2,526.90</u></b>	<b><u>2,526.90</u></b>

Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

### 19.3 Capital Redemption reserve

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	12.00	12.00
Movement during the year.....	—	—
<b>Balance at end of year .....</b>	<b><u>12.00</u></b>	<b><u>12.00</u></b>

This reserve was created for redemption of preference shares. The preference shares were redeemed in the financial year 1982-83.

### 19.4 Capital reserve - cash subsidy

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	4.14	4.14
Additions during the year .....	—	—
<b>Balance at end of year .....</b>	<b><u>4.14</u></b>	<b><u>4.14</u></b>

Capital Reserve of ₹ 4.14 Lakhs was created for cash subsidy received against property, plant and equipments installed at Surat site in the financial year 1981-82.

### 19.5 Remeasurement of defined benefit plans (OCI)

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	(115.70)	(129.87)
Remeasurement of defined benefits plan.....	8.65	14.17
<b>Balance at end of year .....</b>	<b><u>(107.05)</u></b>	<b><u>(115.70)</u></b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**19.6 Retained earnings**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning of year.....	7,708.43	(10,757.51)
Profit attributable to owners of the Company.....	2,165.82	18,465.94
Dividend on equity shares paid .....	(1,608.22)	—
<b>Balance at end of year .....</b>	<b>8,266.03</b>	<b>7,708.43</b>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
Interim dividend for FY 2021-22 .....	1.75	—
Final dividend for FY 2021-22 .....	0.75	—

During the year ended March 31, 2023, on account of the final dividend for FY 2021-22 and interim dividend for 2021-22 the Company has incurred a net cash outflow of ₹ 1608.22 Lakhs.

The Board of Directors of Standard Industries Limited, in their meeting held on May 22, 2023, has declared Interim dividend of ₹ 0.80 per equity share of ₹.5/- each (16 % on face value of ₹. 5/- each).

The Board of Directors of Standard Industries Limited, at its meeting on May 22, 2023, has proposed a final dividend of ₹ 0.25 per equity share of ₹. 5/- each (5 % on the face value of ₹.5/- each), which is subject to approval of Shareholders in the Annual General Meeting.

The Company has not accounted for the Interim and Final dividend as a liability, as per Ind AS 10 as the dividends are declared after the reporting period.

**20. Borrowings**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
<b>Non-current</b>		
<b>Secured - at amortised cost</b>		
Term loans from financial institutions		
- IIFL Wealth Prime Limited .....	2,442.71	2,570.16
Less: Current maturity of long term loans .....	—	(2,570.16)
<b>Total .....</b>	<b>2,442.71</b>	<b>—</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Current maturities of long-term debt.....	—	2,570.16
<b>Total .....</b>	<b>—</b>	<b>2,570.16</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 20.1 Summary of borrowing arrangements

The terms of repayment of term loans and other loans are stated below:

#### As at March 31, 2023

Particulars	Amount outstanding	Terms of repayment	Rate of interest
<b>IIFL Wealth Prime Limited</b>	<b>2,442.71</b>	5 years	IIFLW PLR + 15 bps (i.e. 12.65% as at the balance sheet date. Interest payable semi-annually at the end of every calendar half year.
<b>Security</b>			
1. First and exclusive charge over Stanrose apartment situated at Prabhadevi, Mumbai.			
2. Pledge over diversified basket of financial securities.			
Carrying amount of financial securities pledged is ₹ 3074.19 Lakhs			

#### As at March 31, 2022

Particulars	Amount outstanding	Terms of repayment	Rate of interest
<b>IIFL Wealth Prime Limited</b>	<b>2,570.16</b>	Any point of time during the tenure of loan	IIFLW PLR + 75 bps (i.e. 11.25% as at the balance sheet date. Interest payable semi-annually at the end of every calendar half year.
<b>Security</b>			
1. First and exclusive charge over Stanrose apartment situated at Prabhadevi, Mumbai.			
2. Pledge over diversified basket of financial securities.			
Carrying amount of financial securities pledged is ₹ 3951.25 Lakhs			

20.2 There are no breach of contractual terms of the borrowing during the year ended March 31, 20223 and March 31, 2022.

### 20.3 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Particulars	Term loans from financial institutions
<b>As at April 1, 2021</b> .....	5,196.36
Financing cash flows.....	(2,626.20)
<b>Non-cash changes</b> .....	—
Interest accruals on account of amortisation.....	—
<b>As at March 31, 2022</b> .....	2,570.16
Financing cash flows.....	(127.45)
<b>Non-cash changes</b> .....	—
Interest accruals on account of amortisation.....	—
<b>As at March 31, 2023</b> .....	<u>2,442.71</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**20.4 Additional information as per Schedule III.**

- (i) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iii) The Group has not been declared willful defaulter by any bank or financial Institution or other lender.

**21. Lease liabilities**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
<b>Non-current</b>		
Lease liabilities .....	<b>108.73</b>	—
<b>Total</b> .....	<b>108.73</b>	—
<b>Current</b>		
Lease liabilities .....	<b>97.20</b>	<i>37.15</i>
<b>Total</b> .....	<b>97.20</b>	<i>37.15</i>

**21.1 The following is the movement in lease liabilities:**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Balance at the beginning .....	<b>37.15</b>	<i>126.33</i>
Additions .....	<b>250.37</b>	—
Finance cost accrued during the period .....	<b>15.61</b>	<i>8.02</i>
Payment of lease liabilities .....	<b>(97.20)</b>	<i>(97.20)</i>
<b>Balance at the end</b> .....	<b>205.93</b>	<i>37.15</i>

**21.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
Less than one year .....	<b>97.20</b>	—
One year to two years .....	<b>134.73</b>	<i>37.53</i>
<b>Total</b> .....	<b>231.93</b>	<i>37.53</i>

**21.3** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 21.4 Amounts recognised in profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets .....	83.65	83.64
Interest expense on lease liabilities.....	15.61	8.02
Expense relating to short-term leases .....	22.16	24.37

### 22. Provisions

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Employee benefits		
- for gratuity (refer note 37) .....	—	13.52
Other provisions		
- for disputed rent (refer note 22.1).....	583.66	583.66
<b>Total</b> .....	<u>583.66</u>	<u>597.18</u>
<b>Current</b>		
Employee benefits		
- for compensated absences .....	47.35	57.63
- for gratuity (refer note 37) .....	9.96	1.81
<b>Total</b> .....	<u>57.31</u>	<u>59.44</u>

#### 22.1 Provision for disputed rent

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of year.....	583.66	583.66
Additional provision recognised .....	—	—
<b>Balance at end of year</b> .....	<u>583.66</u>	<u>583.66</u>

The provision for disputed rent relates to claim of rent by the owner of the premises which were used by the Group in earlier years. Refer note 41(d) on contingent liabilities and commitments.

### 23. Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises.....	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises.....	446.58	686.78
<b>Total</b> .....	<u>446.58</u>	<u>686.78</u>

The average credit period on purchases is 90 days. No interest is charged by the trade payables.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**23.1 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year .....	—	—
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	—	—
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	—	—
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act .....	—	—
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	—	—
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 .....	—	—

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.

**23.2 The ageing schedule of trade payables is as follows**

**a) As at March 31, 2023**

Particulars	Outstanding for the following period:*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME.....	—	—	—	—	—
(ii) Others.....	387.30	—	0.27	59.01	446.58
(iii) Disputed dues – MSME.....	—	—	—	—	—
(iv) Disputed dues – Others.....	—	—	—	—	—

**b) As at March 31, 2022**

Particulars	Outstanding for the following period:*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME.....	—	—	—	—	—
(ii) Others.....	571.05	14.65	22.66	78.42	686.78
(iii) Disputed dues – MSME.....	—	—	—	—	—
(iv) Disputed dues – Others.....	—	—	—	—	—

\* For the purposes of presentation of the aging schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices as at each reporting date.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 24. Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Contract liabilities (advance from customers).....	53.25	3,150.90
Interest accrued but not due on borrowings.....	128.89	280.41
Unpaid dividends.....	49.17	34.94
Others.....	128.91	128.91
<b>Total</b> .....	<u>360.22</u>	<u>3,595.16</u>

### 25. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities .....	103.13	143.23
Contract liabilities (Advance from customers).....	3.03	0.04
Bonus payable .....	1.23	1.82
Others.....	0.05	110.65
<b>Total</b> .....	<u>107.44</u>	<u>255.74</u>

### 26. Current tax liabilities

	As at March 31, 2023	As at March 31, 2022
Income tax provision (net of advance tax).....	338.27	3,366.10
<b>Total</b> .....	<u>338.27</u>	<u>3,366.10</u>

### 27. Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
- Cloth.....	1,567.65	807.01
- Common salt.....	531.42	333.53
- Gypsum salt.....	—	1.97
Sale of property		
- Assignment of leasehold rights of lease land (refer note 45).....	—	42,733.00
Other operating revenues		
- Income from weighbridge .....	0.30	0.34
- Royalty received .....	24.00	20.13
<b>Total</b> .....	<u>2,123.37</u>	<u>43,895.98</u>

27.1 There are no impairment losses on trade receivable recognised in Statement of profit and loss for the year ended March 31, 2023 (refer note 16).

27.2 The Group presently recognises revenue on point in time basis. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 35 on Segment information disclosure).

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**27.3 Contract balances**

The following table provides information about receivables from contracts with customers:

	<b>As at March 31, 2023</b>	<i>As at March 31, 2022</i>
Trade receivables.....	<b>4,103.74</b>	254.17
Contract liabilities.....	<b>3.03</b>	0.04

**27.4** The Group receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

**27.5** There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended March 31, 2023 and year ended March 31, 2022.

**27.6 Revenue recognized from contract liabilities**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Revenue recognized that was included in the contract liability (advance from customers) balance at beginning of the reporting period.....	<b>0.04</b>	4.33
	<b>0.04</b>	4.33

**27.7 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Revenue from contracts with customers (as per Statement of Profit and Loss).....	<b>2,123.37</b>	43,895.98
Add: Discounts, rebates, refunds, credits, price concessions.....	<b>—</b>	—
<b>Contracted price with the customers</b> .....	<b>2,123.37</b>	<b>43,895.98</b>

**28. Other Income**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
<b>(a) Interest Income</b>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits (at amortised cost).....	<b>36.42</b>	192.26
- On income-tax refund.....	<b>0.19</b>	-
	<b>36.61</b>	192.26
<b>(b) Dividend income</b>		
Dividend on equity investments.....	<b>9.11</b>	11.22
Dividend on mutual funds.....	<b>53.43</b>	9.89
	<b>62.54</b>	21.11
<b>(c) Other non-operating income (net of expenses directly attributable to such income)</b>		
Profit arising from assignment of TDR entitlement {refer note 46(b)} .....	<b>2,862.00</b>	-
Sundry credit balances written back.....	<b>10.02</b>	8.65
Miscellaneous income.....	<b>137.80</b>	39.97
	<b>3,009.82</b>	<b>48.62</b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(d) Other gains and losses</b>		
Gain on disposal of property, plant and equipment .....	770.23	2.23
Net foreign exchange gain/(loss) .....	0.20	(0.64)
Net gain/(loss) arising on sale of financial assets designated as at FVTPL .....	187.18	195.60
Net gain/(loss) arising on fair value of financial assets designated as at FVTPL .....	<u>453.45</u>	<u>1,995.88</u>
	<u>1,411.06</u>	<u>2,193.07</u>
<b>(a + b + c + d)</b> .....	<u><u>4,520.03</u></u>	<u><u>2,455.06</u></u>

### 29. Cost of lease land and related cost

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of lease land and other development activities .....	—	8,969.11
Cost of power sub station (asset held for sale) .....	—	1,493.03
Premium paid to Government authority .....	—	4,312.23
Stamp duty and Registration fees .....	—	2,329.21
Miscellaneous expenses .....	—	418.34
<b>Total</b> .....	<u><u>—</u></u>	<u><u>17,521.92</u></u>

### 30. Changes in inventories of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening stock:</b>		
Finished stock .....	43.74	27.73
Process stock .....	46.30	47.06
	A <u>90.04</u>	<u>74.79</u>
<b>Closing stock:</b>		
Finished stock .....	195.52	43.74
Process stock .....	—	46.30
	B <u>195.52</u>	<u>90.04</u>
	A - B <u>(105.48)</u>	<u>(15.25)</u>

### 31. Employee benefits expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages .....	181.81	192.81
Gratuity (refer note 37) .....	2.01	9.85
Contribution to provident and other funds .....	28.54	29.51
Staff Welfare Expenses .....	45.81	34.81
<b>Total</b> .....	<u><u>258.17</u></u>	<u><u>266.98</u></u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**32. Finance Costs**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Interest on loans from banks and financial institutions .....	<b>283.24</b>	353.32
Interest on lease liability .....	<b>15.61</b>	8.02
Unwinding of transaction cost.....	<b>—</b>	—
Other finance costs .....	<b>349.69</b>	77.67
<b>Total</b> .....	<b><u>648.54</u></b>	<u>439.01</u>

**33. Depreciation and amortisation expense**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Depreciation of property, plant and equipment.....	<b>143.15</b>	117.57
Depreciation of investment property.....	<b>35.27</b>	35.64
Depreciation of right of use asset.....	<b>83.65</b>	83.64
Amortisation of intangible assets .....	<b>0.85</b>	0.87
<b>Total depreciation and amortisation expenses</b> .....	<b><u>262.92</u></b>	<u>237.72</u>

**34. Other expenses**

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
Charges for corporate office service and facilities .....	<b>130.68</b>	130.68
Commission and brokerage expenses .....	<b>18.42</b>	—
Consulting fees .....	<b>92.16</b>	100.31
Contract labour expenses .....	<b>18.75</b>	13.54
Contributions and financial assistance .....	<b>10.05</b>	11.74
Corporate social responsibility expenses (refer note 34.2) .....	<b>120.22</b>	—
Directors' fees .....	<b>9.04</b>	7.84
Donations .....	<b>16.78</b>	35.00
Electricity .....	<b>16.21</b>	43.84
General charges.....	<b>28.38</b>	20.55
GST input reversal .....	<b>13.13</b>	163.76
Insurance .....	<b>12.47</b>	9.57
Kyara Mati Internal Shifting expenses .....	<b>28.22</b>	—
Labour charges .....	<b>77.87</b>	49.50
Legal and professional fees.....	<b>38.87</b>	21.75
Ownership Flat maintenance expenses.....	<b>37.12</b>	29.56
Payment to auditors (refer note 34.1) .....	<b>15.00</b>	12.95
Portfolio management expenses .....	<b>84.33</b>	79.28
Power and fuel.....	<b>57.41</b>	45.14

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes .....	84.35	81.72
Rent (refer note 21.4) .....	22.16	24.37
Repairs to buildings, machinery and others .....	111.59	78.48
Registrar and share transfer charges .....	11.58	8.81
Security charges .....	43.25	87.27
Salt - internal shifting expenses.....	151.75	51.87
Staff canteen expenses.....	33.62	45.00
Stationery, printing, advertisement and postage etc. ....	30.95	41.50
Temporary manpower .....	122.03	114.09
Transport and freight charges.....	11.58	9.19
Travelling and conveyance expenses.....	92.52	100.81
Vehicle expenses .....	63.05	60.12
Miscellaneous expenses .....	99.86	50.99
<b>Total</b> .....	<b>1,703.40</b>	<b>1,529.23</b>

### 34.1 Payments to auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) For audit.....	6.80	6.05
b) Certification work.....	6.10	4.40
c) For tax audit/taxation matters .....	2.00	2.25
d) For reimbursement of expenses.....	0.10	0.25
<b>Total</b> .....	<b>15.00</b>	<b>12.95</b>

### 34.2 Corporate social responsibility expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) amount required to be spent by the company during the year ....	120.09	—
(b) amount of expenditure incurred for CSR expenses of Current year .....	120.22	—
(c) shortfall at the end of the year out of the amount required to be spent by the Company during the year .....	—	—
(d) total of previous years shortfall .....	—	—
(e) reason for shortfall .....	NA	NA
(f) amount of expenditure incurred for previous year shortfall .....	—	—



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
(g) nature of CSR activities .....	<b>Education, Health care and Wellness, PM Cares and Water, Sanitation and Hygiene.</b>	—
(h) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard .....	<b>NA</b>	<i>NA</i>
(i) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately .....	<b>NA</b>	<i>NA</i>

**35. Segment information**

**35.1 Products and services from which reportable segments derive their revenues**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the 'Property division\*', 'trading', 'manufacturing' and 'others' operations. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under Ind AS 108 are as follows:

- Property division\*
- Trading
- Manufacturing
- Others

\* The property division comprises of assets which are in excess of business needs, which the Group would liquidate based on the market condition.

**35.2 Segment revenues and results**

The following is an analysis of the Group's revenue and results from operations by reportable segment.

<b>Particulars</b>	<b>Segment revenue</b>	
	<b>For the year ended March 31, 2023</b>	<i>For the year ended March 31, 2022</i>
<b>Good and services provided</b>		
- Property division .....	—	42,733.00
- Trading .....	1,591.65	827.14
- Manufacturing .....	531.72	335.84
- Others .....	—	—
<b>Total for operations.....</b>	<b><u>2,123.37</u></b>	<b><u>43,895.98</u></b>

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### Particulars

	For the year ended March 31, 2023	For the year ended March 31, 2022
	<b>Segment profit</b>	
<b>Good and services provided</b>		
- Property division .....	3,470.17	21,606.59
- Trading .....	71.79	45.13
- Manufacturing .....	137.60	112.75
- Others .....	(0.40)	(0.60)
<b>Total for operations</b> .....	<u>3,679.16</u>	<u>21,763.87</u>
Unallocated corporate expenses .....	(2,172.18)	(2,040.72)
Unallocated corporate income .....	858.84	2,394.06
<b>Profit before tax</b> .....	<u>2,365.82</u>	<u>22,117.21</u>
Tax expenses .....	200.00	3,651.27
<b>Profit after tax</b> .....	<u>2,165.82</u>	<u>18,465.94</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (year ended March 31, 2022: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit before tax earned by each segment without allocation of unallocated expenses and income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

### 35.3 Segment assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Segment assets</b>		
- Property division .....	7,252.64	4,335.09
- Trading .....	440.80	270.44
- Manufacturing .....	768.51	654.27
- Others .....	0.48	0.36
<b>Total segment assets</b> .....	<u>8,462.43</u>	<u>5,260.16</u>
Unallocated corporate assets .....	10,798.16	20,059.77
<b>Total assets</b> .....	<u>19,260.59</u>	<u>25,319.93</u>
<b>Segment liabilities</b>		
- Property division .....	267.34	3,794.81
- Trading .....	342.97	170.36
- Manufacturing .....	40.73	63.83
- Others .....	0.21	0.19
<b>Total segment liabilities</b> .....	<u>651.25</u>	<u>4,029.19</u>
Unallocated corporate liabilities .....	3,890.87	7,138.52
<b>Total liabilities</b> .....	<u>4,542.12</u>	<u>11,167.71</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**35.4 Other segment information**

Particulars	Depreciation and amortisation	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Property division.....	165.20	141.24
Trading .....	0.09	0.09
Manufacturing.....	13.98	12.77
Unallocable.....	83.65	83.62
<b>Total</b> .....	<b>262.92</b>	<b>237.72</b>

Particulars	Additions to non-current assets	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Property division.....	935.72	102.35
Trading .....	—	—
Manufacturing.....	—	70.42
Others.....	—	—
<b>Total</b> .....	<b>935.72</b>	<b>172.77</b>

**35.5 Information about geographical areas**

The Group presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India nor any of its non-current asset is located outside India.

**35.6 Information about major customers**

Included in revenue arising from direct sales of trading goods of ₹ 1591.65 Lakhs (year ended March 31, 2022: ₹ 565.14 Lakhs) which arose from sales to its two (previous year: three) major customers which accounts for 65.42 percent (year ended March 31, 2022: 70.03 percent) of the total revenue from trading operations.

There is no revenue arising from direct sales of property division during current year whereas during year ended March 31, 2022 it was ₹ 42,733 Lakhs which arose from sales to only one customer which accounts for 100 percent.

Revenue from manufacturing operation includes of ₹ 521.04 Lakhs (year ended March 31, 2022: ₹ 326.18 Lakhs) which arose from Sale of products to its three (previous year: one) major customer which accounts for 98.05 percent (year ended March 31, 2022: 97.02 percent) of the total revenue of manufacturing operation.

No other single customer contributed 10% or more to the Group's revenue for both year ended March 31, 2023 and March 31, 2022.

**36. Earnings per share**

Particulars	Earnings per share	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share.....	3.37	28.71
Diluted earnings per share.....	3.37	28.71

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 36.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year attributable to owners of the Company.....	2,165.82	18,465.94
Less: Preference dividend and tax thereon.....	—	—
Earnings used in the calculation of basic earnings per share.....	2,165.82	18,465.94
Weighted average number of equity shares.....	64,328,941	64,328,941

### 36.2 Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year used in the calculation of basic earnings per share.....	2,165.82	18,465.94
Add: adjustments on account of dilutive potential equity shares.....	—	—
Earnings used in the calculation of diluted earnings per share.....	2,165.82	18,465.94
Weighted average number of equity shares.....	64,328,941	64,328,941

### 36.3 Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Weighted average number of equity shares used in the calculation of Basic EPS.....</b>	<b>64,328,941</b>	<b>64,328,941</b>
Add: adjustments on account of dilutive potential equity shares.....	—	—
<b>Weighted average number of equity shares used in the calculation of Diluted EPS .....</b>	<b>64,328,941</b>	<b>64,328,941</b>

### 37. Employee benefits

#### i) Defined Contribution Plan

The Group's contribution to Provident fund and other funds aggregating during the period ended March 31, 2023 is ₹ 28.54 Lakhs (and during the year ended March 31, 2022: ₹ 29.51 Lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

#### ii) Defined Benefit Plans:

##### Gratuity

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

During the previous year, the Group has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs, for those employees who are getting benefit as per Payment of Gratuity Act, 1972. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules , 1962.

**Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:**

**(1) Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**(2) Interest rate risk:**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**(3) Investment Risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**(4) Asset Liability Matching Risk:**

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**(5) Mortality risk:**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
<b>(i) Financial assumptions</b>		
Discount rate (p.a.) .....	7.35%	6.41%
Salary escalation rate (p.a.).....	4.00%	4.00%
Rate of employee turnover (p.a.).....	2.00%	2.00%
<b>(ii) Demographic assumptions</b>		
Mortality rate .....	Indian Assured Lives 2012-14	Indian Assured Lives 2012-14

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost.....	0.92	1.25
Past service cost and (gains)/losses from settlements.....	—	—
Net interest expense.....	1.09	8.60
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>2.01</b>	<b>9.85</b>
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising form changes in financial assumptions.....	(0.46)	(0.22)
Actuarial (gains)/loss arising form changes in demographic assumptions.....	—	(0.01)
Actuarial (gains)/loss arising form experience adjustments.....	(10.37)	(9.31)
Return on plan assets (excluding amount included in net interest expense).....	2.18	(4.64)
Adjustment to recognise the effect of asset ceiling.....	—	—
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(8.65)</b>	<b>(14.18)</b>
<b>Total</b> .....	<b>(6.64)</b>	<b>(4.33)</b>

### Notes:

- i) The Current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the statement of profit and loss.
- ii) The remeasurement of the net define benefits liability is included in other comprehensive income for the year ended March 31, 2023 and year ended March 31, 2022.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year.....	(278.32)	(299.80)
Fair value of plan assets at the end of the year.....	283.96	284.46
<b>Unfunded status (Surplus/ (Deficit))</b> .....	<b>5.64</b>	<b>(15.34)</b>

Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening of defined benefit obligation.....	299.79	290.38
Current service cost.....	0.92	1.25
Past service cost.....	—	—
Interest on defined benefit obligation.....	19.32	17.70
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions.....	(0.46)	(0.22)
Actuarial loss / (gain) arising from change in demographic assumptions.....	—	(0.01)
Actuarial loss / (gain) arising on account of experience changes ...	(10.37)	(9.31)
Benefits paid.....	(30.88)	—
<b>Closing of defined benefit obligation</b> .....	<b>278.32</b>	<b>299.79</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

**Movement in the fair value of the plan assets are as follows:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets.....	284.46	150.11
Employer contribution .....	—	120.62
Interest on plan assets.....	18.24	9.10
Administration expenses.....	—	—
Remeasurement due to:	—	—
Return on Plan Assets, Excluding Interest Income.....	(2.18)	4.63
Benefits paid .....	(16.56)	—
Assets distributed on settlement.....	—	—
<b>Closing of defined benefit obligation .....</b>	<b>283.96</b>	<b>284.46</b>

**Major category of plan assets (as a percentage of total plan assets)**

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate bonds .....	63.40	51.36
Government securities .....	43.88	48.39
Special Deposits Scheme .....	62.45	62.45
Trust Managed/Insurer Managed Funds .....	—	—
Others.....	114.23	122.26
<b>Total .....</b>	<b>283.96</b>	<b>284.46</b>

**Sensitivity Analysis**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 1%.

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
<b>a) Discount rate</b>		
As at March 31, 2023 .....	(0.62)	(0.29)
As at March 31, 2022 .....	(0.60)	(0.34)
<b>b) Salary Escalation Rate</b>		
As at March 31, 2023 .....	0.71	0.28
As at March 31, 2022 .....	0.68	0.32
<b>c) Employee Turnover Rate</b>		
As at March 31, 2023 .....	0.12	0.06
As at March 31, 2022 .....	0.10	0.06

**Notes:**

- i) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- ii). Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- iii) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The Group expects to contribute nil (as at March 31, 2022: ₹ Nil) to the gratuity trusts during the next financial year.

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## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### Maturity profile of defined benefit obligation:

#### Maturity Analysis of the Benefit Payments: From the Fund

Projected benefits payable in future years from the date of reporting:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
1 <sup>st</sup> following year .....	266.59	276.47
2 <sup>nd</sup> following year .....	0.05	0.03
3 <sup>rd</sup> following year .....	0.06	0.05
4 <sup>th</sup> following year .....	0.06	0.05
5 <sup>th</sup> following year .....	0.07	0.05
Sum of years 6 to 10 .....	1.36	0.27
Sum of Years 11 and above .....	2.90	2.58

#### Maturity Analysis of the Benefit Payments: From the Employer

Projected benefits payable in future years from the date of reporting:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
1 <sup>st</sup> following year .....	1.04	13.52
2 <sup>nd</sup> following year .....	0.30	0.27
3 <sup>rd</sup> following year .....	0.31	0.92
4 <sup>th</sup> following year .....	5.58	0.27
5 <sup>th</sup> following year .....	0.16	5.13
Sum of years 6 to 10 .....	3.59	3.05

The weighted average duration of the defined benefit obligation as at March 31, 2023: 1 years (March 31, 2022:1 years)

## 38. Financial instruments

### 38.1 Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt offset by cash and bank balances and total equity of the Group.

#### Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Debt (Borrowing and lease liabilities) .....	2,648.64	2,607.31
Cash and bank balances .....	285.09	7,161.57
Net debt .....	2,363.55	(4,554.26)
Total equity .....	14,718.47	14,152.22
Net debt to equity ratio .....	0.16	(0.32)



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**38.2 Categories of financial instruments:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Investment in equity instruments .....	985.06	3,479.85
Investment in mutual funds.....	4,330.95	4,172.68
Investment in preference shares .....	864.74	864.74
Investment in unsecured debentures.....	—	473.36
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>		
Investment in equity instruments .....	1,204.61	1,204.61
<b>Measured at amortised cost</b>		
Investment in Government securities .....	1.09	1.09
Trade receivables.....	4,103.74	254.17
Loans.....	201.34	197.74
Cash and bank balances .....	360.57	7,492.46
Other financial assets .....	312.09	280.96
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings.....	2,442.71	2,570.16
Trade payables.....	446.58	686.78
Other financial liabilities .....	360.22	3,595.16

**38.3 Financial risk management objectives**

The Group monitors and manages the financial risks to the operations of the Group. These risks include market risk, credit risk, interest risk and liquidity risk.

**A. Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group uses its own trading records to rate its major customers. The Group's exposure to financial loss from defaults are continuously monitored.

Trade receivables consist of a large number of customers, spread across various geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

**B. Liquidity risk**

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash to meet obligations when due.

The Group continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:

	Upto One year	1-5 years	Total
<b>March 31, 2023</b>			
Borrowings.....	—	2,442.71	2,442.71
Trade payables.....	446.58	—	446.58
Other financial liabilities .....	360.22	—	360.22
<b>March 31, 2022</b>			
Borrowings.....	2,570.16	—	2,570.16
Trade payables.....	686.78	—	686.78
Other financial liabilities .....	15,988.83	—	15,988.83

The above table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

### Financing facilities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured loan facilities from IIFL Wealth Prime Limited		
- amount used.....	2,442.71	2,570.16
- amount unused.....	2,557.29	2,429.84
<b>Total</b> .....	<b>5,000.00</b>	<b>5,000.00</b>

### C. Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies.

#### i) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is domiciled in India and has its revenues and other major transactions in its functional currency i.e. ₹. Accordingly the Group is not exposed to any currency risk.

#### ii) Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has borrowed funds with both fixed and floating interest rate.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate borrowings:</b>		
Term loan from financial institutions		
- IIFL Wealth Prime Limited .....	2,442.71	2,570.16
<b>Total Borrowings</b> .....	<b>2,442.71</b>	<b>2,570.16</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**Interest rate sensitivity**

A change of 1% in interest rates on floating rate borrowing would have following impact on profit before tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1% increase in interest rate – decrease in profit	(22.39)	(30.67)
1% decrease in interest rate – increase in profit	22.39	30.67

**39. Fair Value Measurement**

**39.1 Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	March 31, 2023	March 31, 2022				
A) Financial assets						
a) Investments in						
i) Equity shares (Quoted)	985.06	3,479.85	Level 1	Quoted bid prices in an active market	NA	NA
ii) Equity shares (Unquoted)	1,204.61	1,204.61	Level 3	Discounted Cash Flow Method based on future cash flows	Discount rate is determined using cost of equity i.e. capitalisation rate	A significant increase in the discount rate in isolation would result in a significant decrease in the fair value.
iii) Preference shares (Unquoted)	864.74	864.74	Level 3	Discounted Cash Flow method based on projections and estimates of future financial performance	Discount rate of 37.9% i.e. cost of equity. Revenue-Revenue growth is expected to decline linearly in a high growth phase and stabilize in mature phase.	A significant increase in the discount rate in isolation would result in a significant decrease in the fair value.
iv) Mutual fund	4,330.95	4,172.68	Level 1	NAV in an active market	NA	NA
<b>Total financial assets</b>	<b>7,385.36</b>	<b>9,721.88</b>				

As at the reporting date, the Group does not have any financial liability measured at fair values.

**39.2 Inter Level transfers**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 39.3 Reconciliation of Level 3 fair value

Particulars	Unlisted equity instruments measured at FVTPL	Unlisted preference shares measured at FVTPL	Total
<b>For the year ended</b>			
<b>As at April 1, 2021</b> .....	1,204.61	864.74	2,069.35
Total gains or (losses) recognised in profit or loss .....	—	—	—
Purchases.....	—	—	—
Disposals/settlements.....	—	—	—
<b>As at March 31, 2022</b> .....	1,204.61	864.74	2,069.35
Total gains or losses recognised in profit or loss .....	—	—	—
Purchases.....	—	—	—
Disposals/settlements.....	—	—	—
<b>As at March 31, 2023</b> .....	<u>1,204.61</u>	<u>864.74</u>	<u>2,069.35</u>

### 39.4 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

## 40. Related parties transactions

### 40.1 Names of the related parties and related party relationships

Particulars	Relationship as at	
	March 31, 2023	March 31, 2022
Shanudeep Private Limited.....	<b>KMP of the Company has Significant influence over this entity</b>	<i>KMP of the Company has Significant influence over this entity</i>
AAK legal .....	<b>KMP of the Company has Significant influence over this entity</b>	<i>KMP of the Company has Significant influence over this entity</i>
<b>Key Management Personnel (Standard Industries Limited)</b>		
Pradeep R. Mafatlal .....	<b>Chairman</b>	<i>Chairman</i>
Divya P. Mafatlal .....	<b>Director</b>	<i>Director</i>
Dhansukh H. Parekh.....	<b>Executive Director</b>	<i>Executive Director</i>
Shobhan Diwanji .....	<b>Director</b>	<i>Director</i>
Aziza A Khatri (upto 28.11.2022) .....	<b>Director</b>	<i>Director</i>
Tashwinder Singh .....	<b>Director</b>	<i>Director</i>
Khurshed M. Thanawalla (w.e.f 19.05.2022) .....	<b>Director</b>	—
Tanaz B. Panthaki .....	<b>Vice president (legal) &amp; Company Secretary</b>	<i>Vice president (legal) &amp; Company Secretary</i>
Jayantkumar R. Shah .....	<b>Chief financial officer</b>	<i>Chief financial officer</i>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Relationship as at	
	March 31, 2023	March 31, 2022
<b>Key Management Personnel (Standard Salt Works Limited)</b>		
D. H. Parekh (up to 27.05.2022) .....	<b>Chairman</b>	<i>Chairman</i>
D. M. Nadkarni (up to 27.05.2022) .....	<b>Director</b>	<i>Director</i>
R. N. Patel (up to 27.05.2022) .....	<b>Director</b>	<i>Director</i>
Aziza A Khatri (upto 27.05.2022) .....	<b>Director</b>	<i>Director</i>
Pradeep R. Mafatlal (w.e.f 27.05.2022) .....	<b>Chairman</b>	—
Ashish R. Kansara (w.e.f 27.05.2022) .....	<b>Director</b>	—
Vinod Patel (w.e.f 27.05.2022) .....	<b>Director</b>	—
Khurshed Thanawalla (w.e.f 27.05.2022) .....	<b>Director</b>	—
Rajanya P. Mafatlal (w.e.f 10.02.2023) .....	<b>Director</b>	—
<b>Key Management Personnel (Mafatlal Enterprises Limited).</b>		
Pradeep R. Mafatlal .....	<b>Chairman</b>	<i>Chairman</i>
Rajanya P. Mafatlal (w.e.f 10.02.2023) .....	<b>Director</b>	—
Rohit N. Patel (up to 10.02.2023) .....	<b>Director</b>	<i>Director</i>
Aziza A Khatri (upto 10.02.2023) .....	<b>Director</b>	<i>Director</i>
Ashish R. Kansara (w.e.f 10.02.2023) .....	<b>Director</b>	—

**40.2 Details of related party transactions**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Shanudeep Private Limited</b>		
<b>Transactions during the year</b>		
Leave and License fees	97.20	97.20
Corporate Office and Service facilities	130.68	130.68
Payment of common expenses	21.60	20.04
<b>AAK Legal</b>		
Legal and Professional fees	3.16	2.54
Reimbursement of expenses	—	1.25

**40.3 Compensation of key managerial personnel**

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits .....	82.39	80.51
Post-employment benefits .....	—	—
Other long-term benefits .....	—	—
Termination benefits .....	—	—
<b>Total</b>	<b>82.39</b>	<b>80.51</b>
<b>Sitting fee paid to directors</b> .....	<b>9.04</b>	<b>7.84</b>

As the liabilities for defined benefit plan are provided on actuarial basis for the Group as a whole, the amount pertaining to key managerial persons are not included.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

### 41. Contingent liabilities and commitments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contingent liabilities (to the extent not provided for)</b>		
a). Claims against the Group not acknowledged as debts		
- Local cess (refer note (ii) below)	<b>349.58</b>	349.58
b). 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 Group is confident that the cases will be successfully contested.	<b>469.94</b>	469.94
c). 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 Holding Company is confident of success in this SLP when heard.	<b>1,375.74</b>	1,375.74
d). The Holding Company had disputed the claim for rent, mesne profit and related interest claimed by the owner of the premises which were used by the Holding Company in earlier years. On the application of the Holding Company, the Hon'ble High Court of Judicature at Bombay granted a stay against the unfavourable Order of the Small Causes Court and directed the Holding Company to deposit an amount of ₹ 1,153.26 Lakhs pending resolution of the related Writ Petition filed by the Company, which the Company has deposited. Out of the above the Holding Company has already provided/paid for amounts aggregating ₹ 635.39 Lakhs and the balance amount of ₹ 517.87 Lakhs has not been provided as the Holding Company is hopeful of succeeding in its Petition.	<b>1,364.17</b>	1,364.17
e). Disputed demand of Income Tax for the assessment year 2018-19 against which the appeal is made to Appellate Authority. The Company is confident that the case can be successfully contested.	<b>156.31</b>	156.31

#### Notes:

- (i). The above claims are pending before various Authorities / court. The Group is confident that the cases will be successfully contested.
- (ii). Amount claimed by Taluka Development Officer towards Local Cess and Education Cess. The Subsidiary has contested this claim and has paid an amount of ₹ 5,00,000/- under protest with Gujarat High Court.
- (iii). There are no capital commitments

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

**42. Deferred tax asset/(liability)**

Components of deferred tax assets/(liabilities) are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax asset/(liability) created on:</b>		
Property, plant and equipments and intangible .....	(452.79)	(242.97)
Provisions .....	14.43	18.37
Trade receivables .....	107.31	107.31
Other assets .....	48.72	48.72
Investments .....	(635.60)	484.13
Borrowings .....	—	—
Other liabilities .....	5.66	0.44
Carry forward business loss and depreciation .....	2,852.85	3,210.25
<b>Deferred tax assets/(liability) .....</b>	<b>1,940.58</b>	<b>3,626.25</b>

The Group has not recognised deferred tax assets on all deductible temporary differences based on the certainty and virtual certainty requirement as per Ind AS 12 Income taxes.

**42.1 Details of the amount of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet:**

Particulars	As at March 31, 2023	As at March 31, 2022
Business losses	7,583.25	8,969.72
Carry forward depreciation	3,751.06	3,784.57

The unrecognised tax credits with respect to business losses will expire between Assessment year 2029-30.

**42.2** The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**42.3** The Group had opted Tax U/s. 115BAA applicable to Domestic Companies w.e.f Financial year 2021-2022 and accordingly, tax expenses has been calculated and provided for.

**43.** The code of Social Security, 2020 (“Code”) relating to employee benefits during employment and post-employment benefits has been notified in the Official Gazette on 29th September, 2020. The draft rules have been released on November 13, 2020 and suggestions invited from stakeholders are under consideration by the Ministry. The impact of the change will Reassessed and accounted in the period in which said rules are notified for implementation.

**44. Additional regulatory information as required by Schedule III to the Companies Act, 2013**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The Group did not have any transactions with Companies struck off.
  - (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the respective financial years.
  - (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

*All amounts are ₹ in Lakhs unless otherwise stated*

- (vi) The Group has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- (vii) The Group has not made any delay in Registration of Charges under the Companies Act, 2013.
- 45.** During the previous Financial year ended on March 31, 2022, Standard Industries Limited has received approval from MIDC and has entered into “Deed of Transfer and Assignment of Leasehold Rights” of 62.25 acres of Company’s leasehold property situated at Plot No. 4, Trans Thane Creek Industrial Area, in the villages of Ghansoli & Savali, Taluka Thane (“Property”), with Support Properties Private Limited on March 31, 2022 to transfer and assign all its leasehold rights in the said property and Sub-station Building situated thereon at a consideration of Rs. 427.33 crores.
- 46(a)** During the previous Financial year ended on March 31, 2022, In terms of Agreement/Understanding entered with buyer K. Raheja Private Limited, Standard Industries Limited has assigned all rights and interest concerning entitlement of Transferable Development Right (TDR) with respect to its land situate at Sewree, which the Company is entitled in terms of Notification dated 16.11.2016 under the Development Control Regulations of Greater Mumbai 1991.
- However, inspite of the Company’s following-up on its application for TDR under DCR Regulation, the Company was unable to obtain the DRC from the authorities. Due to the continuing uncertainty in the matter, the Company and K. Raheja Private Limited decided to terminate the MOU and accordingly, a Deed of Cancellation dated 1st January, 2022 was executed by the Company and K. Raheja Private Limited.
- Consequently the gain arising from the Assignment of TDR entitlement of Rs.3503.13 lakhs has been reversed during the previous Financial year ended on March 31, 2022.
- 46(b)** During the current year, on receipt of Development Rights Certificate (DRC) showing entitlement of Transfer of Development Rights (TDR) with respect to the land situated at Sewree, Standard Industries Limited has assigned all rights and interest concerning the said entitlement of TDR vide Agreement dated 21st October, 2022 to M/s. K.Raheja Private Limited and Feat Properties Private Limited at an aggregate price of Rs. 2875.82 lakhs and recorded a gain of Rs. 2862.00 lakhs.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Lakhs unless otherwise stated

47. Disclosure of additional information as required by the Schedule III:  
(a) As at and for the year ended March 31, 2023

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹ In Lakhs)	As % of Consolidated profit or loss	Amount (₹ In Lakhs)	As % of Consolidated other comprehensive income	Amount (₹ In Lakhs)	As % of consolidated total comprehensive income	Amount (₹ In Lakhs)
<b>Parent Company</b>								
Standard Industries Limited	95.05%	13,990.45	93.66%	2,028.60	103.01%	8.91	93.70%	2,037.51
<b>Subsidiaries</b>								
<b>Indian</b>								
Standard Salts Works Limited	4.95%	727.78	6.36%	137.61	-3.01%	(0.26)	6.32%	137.35
Maafatal Enterprises Limited	0.00%	0.24	-0.02%	(0.39)	0.00%	—	-0.02%	(0.39)
<b>Total</b>	<b>100.00%</b>	<b>14,718.47</b>	<b>100.00%</b>	<b>2,165.82</b>	<b>100.00%</b>	<b>8.65</b>	<b>100.00%</b>	<b>2,174.47</b>

(b) As at and for the year ended March 31, 2022

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹ In Lakhs)	As % of Consolidated profit or loss	Amount (₹ In Lakhs)	As % of Consolidated other comprehensive income	Amount (₹ In Lakhs)	As % of consolidated total comprehensive income	Amount (₹ In Lakhs)
<b>Parent Company</b>								
Standard Industries Limited	95.83%	13,561.64	99.40%	18,355.06	100.64%	14.26	99.40%	18,369.32
<b>Subsidiaries</b>								
<b>Indian</b>								
Standard Salts Works Limited	4.17%	590.44	0.60%	111.48	-0.64%	(0.09)	0.60%	111.39
Maafatal Enterprises Limited	0.00%	0.14	0.00%	(0.60)	0.00%	—	0.00%	(0.60)
<b>Total</b>	<b>100.00%</b>	<b>14,152.22</b>	<b>100.00%</b>	<b>18,465.94</b>	<b>100.00%</b>	<b>14.17</b>	<b>100.00%</b>	<b>18,480.11</b>

In terms of our report attached

For, Arunkumar K. Shah & Co.  
Chartered Accountants  
FRN : 126935W

ARUNKUMAR K. SHAH  
PROPRIETOR  
Membership No. 034606  
Mumbai, Dated: May 22, 2023

For and on behalf of Board of Directors

P. R. MAFATLAL Chairman DIN 00015361

D. H. PAREKH Executive Director DIN 00015734

Mumbai, Dated: May 22, 2023

TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary  
JAYANTKUMAR R. SHAH  
Chief Financial Officer  
Mumbai, Dated: May 22, 2023

## NOTES

A series of horizontal dotted lines for writing notes.





