



STANDARD INDUSTRIES LTD.

115th ANNUAL REPORT 2011-2012

STANDARD INDUSTRIES LTD.

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Ghansoli, Navi Mumbai, Thane - 400 701.

NOTICE

Notice is hereby given that the **ONE HUNDRED & FIFTEENTH ANNUAL GENERAL MEETING** of the Members of STANDARD INDUSTRIES LIMITED will be held at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai – 400 614, on Tuesday, the 14th August, 2012, at 3.00 p.m. to transact the following business :

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account of the Company for the Financial Year ended 31st March, 2012 and the Balance Sheet of the Company as on that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri V. C. Vaidya, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Smt. Divya P. Mafatlal, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 31st July, 2012, to Tuesday, the 14th August, 2012, (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2012. Those Members whose names appear in the Register of Members of the Company as on 30th July, 2012, will be eligible for dividend.
- (c) **National Electronic Clearing Service (NECS)**
As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the Electronic

Clearing Service (ECS) of the Reserve Bank of India (RBI), at designated locations, for payment of dividend to shareholders holding shares in dematerialized form. This service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In this system, the investor's bank account is directly credited with the dividend amount.

As per RBI's notification, with effect from 1st October, 2009, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS). NECS operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Pursuant to implementation of CBS, your bank account number may have undergone a change, which is required to be communicated by you to your Depository Participant (in case of shareholders holding shares in dematerialized form) or to the Company's Registrar & Share Transfer Agent (in case of shareholders holding shares in physical form, in which case, the communication may be made in the Mandate Form separately enclosed in this Annual Report).

Shareholders holding shares in physical form who have not yet opted for the NECS Mandate Facility, are urged to avail of the same as this not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant/Company's Registrar & Share Transfer Agent) and are communicated before 30th July, 2012, to facilitate receipt of dividend. Please note that if your new Core Bank Account number

STANDARD INDUSTRIES LTD.

is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

- (d) The Dividend as recommended by the Directors when declared at the Annual General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Tuesday, the 21st August, 2012, to those shareholders who have not opted for NECS Mandates. For those shareholders who have submitted their NECS Mandates, the dividend will be credited directly to their respective Bank Accounts.
- (e) The Company has already transferred on 27th March, 2012, the unclaimed dividends for the period October, 2003 to September, 2004, to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 30th September, 2005, onwards are to be transferred to the IEPF on the dates given in the table below :

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
October, 2004 To September, 2005	21.02.2006	26.03.2013
October, 2005 To March, 2006	28.09.2006	01.11.2013
April, 2006 To September, 2007	25.03.2008	29.04.2015
October, 2007 To March, 2009	26.09.2008 (Interim Dividend)	26.10.2015
October, 2007 To March, 2009	25.08.2009 (Final Dividend)	25.09.2016
April, 2009 To March, 2010	09.08.2010	08.09.2017
April, 2010 To March, 2011	04.08.2011	04.09.2018

Members who have so far not encashed the Dividend Warrants for the financial years ended September, 2005 onwards, are advised to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, or the Company's Registered Office at Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Ghansoli, Navi Mumbai, Thane – 400 701.

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

Sr. No.	Name & Address of the Stock Exchange	Nature of Security
1.	Bombay Stock Exchange Ltd., Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023.	Equity Shares
2.	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	– do –

The Company has paid Annual Listing fees to the above Stock Exchanges upto 31st March, 2013.

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

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

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

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

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

He is a Director of various Public Limited Companies viz., Standard Industries Limited, The Industrial & Prudential

Investment Co. Ltd., Victoria Mills Ltd. and New Holding & Trading Co. Ltd. He is the Chairman of the Shareholders’/ Investors’ Grievance Committee of Standard Industries Limited; Member of the Audit Committee, Remuneration Committee and Investment Committee of Standard Industries Limited. He is also a Trustee of various Charitable Trusts/Sports Clubs, viz., Mahalaxmi Temple Trust and Pransukhlal Mafatlal Hindu Swimming Bath & Boat Club Trust.

Shri V. C. Vaidya holds 34 Equity Shares of the Company.

2. Born on October 5, 1968, Smt. Divya P. Mafatlal is the wife of Shri Pradeep R. Mafatlal from the illustrious House of Mafatlals. She has completed her Bachelor’s degree in Commerce from the Sydenham College, Mumbai University and is also holding a Diploma Certificate in Child Care and Psychology from the Sophia College.

She is a Director of Standard Industries Ltd., Shanudeep Pvt. Ltd., Sheiladeep Investments Pvt. Ltd., Vinadeep Investments Pvt. Ltd., Pradeep Investments Pvt. Ltd., Gagalbhai Investments Pvt. Ltd. and Umiya Real Estate Pvt. Ltd. She is a Trustee of The Pransukhlal Mafatlal Hindu Swimming Bath & Boat Club Trust and a Member of the Poona Club Ltd.

Smt. Divya P. Mafatlal does not hold any shares in the Company.

By Order of the Board
TANAZ B. PANTHAKI
Company Secretary

Registered Office:

Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Ghansoli,
Navi Mumbai,
Thane - 400 701.

Dated : 24th April, 2012

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Shareholders are requested kindly to bring their copy of the Annual Report to the Meeting as copies of Annual Report will not be distributed at the Meeting as a measure of economy.

STANDARD INDUSTRIES LTD.

BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL
Chairman

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

BANKERS

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

AUDITORS

MESSRS. DELOITTE HASKINS & SELLS,
Chartered Accountants

ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

REGISTERED OFFICE

PLOT NO. 4, TTC INDUSTRIAL AREA,
THANE BELAPUR ROAD,
PO. GHANSOLI,
NAVI MUMBAI,
THANE – 400 701.

CORPORATE OFFICE

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

CITY OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

MANAGEMENT TEAM

SHRI D. H. PAREKH

Executive Director

SHRI D. M. NADKARNI

Vice-President (Projects)

SMT. TANAZ B. PANTHAKI

Company Secretary

SHRI V. K. KAPUR

General Manager

STANDARD INDUSTRIES LTD.

FINANCIAL STATISTICS

	1-4-2001 to 30-9-2002 (18 mths.)	2002/ 2003	2003/ 2004	2004/ 2005
COMPANY OWNED:				
1. Fixed Assets (Net)	17043	15656	12766	12760
2. Investments.....	53	72	72	72
3. Net Current Assets	4879	(135)	(533)	260
4. Deferred Tax Assets/(Liability).....	(1198)	—	—	—
5. Miscellaneous Expenditure	6387	—	—	—
Total Assets (Net).....	27164	15593	12305	12572
COMPANY OWED:				
1. Loan funds.....	13263	7726	4046	1351
2. Company's Net Worth:				
Equity Share Capital.....	6433	3216	3216	3216
Reserves and Surplus	7468	4651	5043	8005
Total Capital Employed	27164	15593	12305	12572
Debt/Equity Ratio#	0.76:1.00†	0.83:1.00†	0.35:1.00†	0.12:1.00†
Income	41206	16366	24071	23763
Raw Materials.....	3646	1728	2216	1584
Salaries and Wages.....	3062	1683	2069	1966
Operation and Other Expenses etc.	19523	8801	12198	11879
Interest	3397	1319	829	394
Excise duty.....	3472	1994	2531	3184
Profit before Depreciation and Taxes.....	8106	841	4228	4756
Depreciation	2031	1318	3180	1047
Profit before extra ordinary item and taxes	6075	(477)	1048	3709
Taxes	(3)§	(26)	(107)	(321)
Deferred Tax.....	(1198)	1198	—	—
Profit after Taxes	4874	695	941	3388
Provision and Refund of Income-tax (Net)	60	—	—	—
Transferred from General Reserve.....	2235	—	—	—
Balance brought forward from Previous Year	(6466)	703	1398	1861
Amount for Appropriation.....	703*	1398*	2339*	5249*
Dividends	—	—	402	402
Tax on Dividends	—	—	52	57
Balance retained in business.....	703	1398	1885	4790
Earnings per Equity Share ₹	7.67‡	1.08**	1.46**	5.27**
Dividend paid per Equity Share ₹.....	—	—	0.625**	0.625**

On Long term borrowings.

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

† Without Revaluation Reserve.

‡ On Equity Shares of ₹ 10/-.

§ Wealth-tax.

** On Equity Shares of ₹ 5/-.

(₹ in lakhs)

1-10-2005 to 31-3-2006 (6 mths.)	1-4-2006 to 30-9-2007 (18 mths.)	1-10-2007 to 31-3-2009 (18 mths.)	1-4-2009 to 31-3-2010	1-4-2010 to 31-3-2011	1-4-2011 to 31-3-2012
12800	1984	1870	3546	1371	2887
425	634	1443	6238	914	293
(238)	6542	12629	6463	12938	11472
—	—	—	—	—	—
—	2296	—	—	—	—
12987	11456	15942	16247	15223	14652
1149	—	—	—	—	—
3216	3216	3216	3216	3216	3216
8622	8240	12726	13031	12007	11436
12987	11456	15942	16247	15223	14652
0.08:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†
8325	12226	24683	3782	1834	2334
670	—	—	—	—	—
696	759	334	242	169	239
4446	9527	15680	2375	1828	2042
64	168	8	—	—	—
963	23	—	—	—	—
1486	1749	8661	1165	(163)	53
527	1489	132	106	133	89
959	260	8529	1059	(296)	(36)
(110)	(67)	(3158)	(193)	—	—
—	—	—	—	—	—
849	193	5371	866	(296)	(36)
—	—	—	7	19	26
—	—	—	—	—	—
4705	5325	4943	9022	9287	8449
5554*	5518*	10314*	9895*	9010*	8439*
201	483	643	482	482	482
28	82	109	80	78	78
5325	4953	9562	9333	8450	7879
1.32**	0.30**	8.35**	1.36**	(0.43)**	(0.02)**
0.3125**	0.75**	1.00**	0.75**	0.75**	0.75**

STANDARD INDUSTRIES LTD.

DIRECTORS' REPORT

To

The Members,

Standard Industries Limited.

Your Directors hereby present the 115th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2012.

FINANCIAL RESULTS

	Current Year 01.04.2011 to 31.03.2012 (₹ in lakhs)	<i>Previous Year 01.04.2010 to 31.03.2011 (₹ in lakhs)</i>
Gross Operating Profit before depreciation and tax.....	53.08	(162.62)
Add: Amount withdrawn from Revaluation Reserve.....	—	5.58
	53.08	(157.04)
Less: Depreciation.....	88.85	138.87
Profit before Taxes.....	(35.77)	(295.91)
Excess provision for taxes in respect of earlier years.....	25.71	18.87
Profit after Taxes.....	(10.06)	(277.04)
Balance brought forward from previous year.....	8,449.72	9,287.50
Amount available for Appropriation.....	8,439.66	9,010.46
APPROPRIATIONS:		
Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	78.27	78.27
Transfer to General Reserve.....	—	—
Balance of Profit & Loss A/c. carried to Balance Sheet.....	7,878.92	8,449.72

Your Directors recommend the following dividend for the Financial Year 1st April, 2011 to 31st March, 2012, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 14th August, 2012, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 30th July, 2012.

	Current Year 01.04.2011 to 31.03.2012 ₹	<i>Previous Year 01.04.2010 to 31.03.2011 ₹</i>
₹0.75 per Equity Share of ₹5/- each on 6,43,28,941 Equity Shares [Previous year ₹0.75 per Equity Share of ₹5/- each on 6,43,28,941 Equity Shares].....	4,82,46,705.75	4,82,46,705.75
	4,82,46,705.75	4,82,46,705.75

REAL ESTATE DIVISION

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

The Company has entered into a Term Sheet dated 17th June, 2011, with Peninsula Mega City Development Private Limited for development of balance portion of approximately 62.25 acres of land. The company will receive an aggregate sum of ₹ 130 Crores spread over a period of five years and 20% of constructed I.T. space/area in the development.

The year under review still remains extremely challenging for the real estate business.

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

The Company has entered into a Memorandum of Understanding (MOU) dated 26th March, 2012, with Stan Plaza Limited (SPL), a wholly-owned subsidiary, whereby the Company has agreed to transfer 16,825 sq. metres of TDR relating to 27% of the plot area to SPL for a consideration of ₹ 403.80 lakhs. As per the terms of the MOU, the Company, within three months of the date of the MOU, is required to obtain Development Rights Certificate (DRC), the title document for the TDR, from the Authorities and endorse the same in the name of SPL, failing which the MOU will stand cancelled.

TRADING DIVISION

For the Financial Year under review, i.e. April, 2011 to March, 2012, the Company has achieved a Textile Trading turnover of ₹ 683 lakhs in comparison with ₹ 729 lakhs for the previous Financial Year.

Due to global economic slow down the textile market is sluggish and the sale of textile fabrics have been adversely affected. The cotton raw material prices have crashed and hence fabric prices have dropped by 15% to 20%. It has adversely affected the sales and profit margins. The Company is concentrating on regular product range such as suiting, shirting, 2 x 2 rubia, dhoti, etc. The Company is also in the process of adding new products in the home textiles. Needless to mention that quality standards are being maintained at all times to the highest level.

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

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

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

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

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

FIXED DEPOSITS

There are no outstanding deposits remaining unpaid as on 31st March, 2012. The Company, as of now, does not accept fresh deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the said year;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the Financial Year ended 31st March, 2012, on a 'going concern' basis.

AUDITOR'S REPORT

The observations of the Auditors referred to in the Auditor's Report are appropriately dealt with in Note No. 25(q) forming part of the Financial Statements. Hence, it does not call for further explanation except as under:

The Company will approach the Statutory Authorities for obtaining the Development Rights Certificate (DRC).

STANDARD INDUSTRIES LTD.

SUBSIDIARIES

The Ministry of Corporate Affairs vide its general Circular No. 2/2011 dated 8th February, 2011, have granted permission to holding companies not to attach accounts of its subsidiary companies, with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March, 2012, is included in the Annual Report.

DONATIONS

During the Financial Year, the Company has contributed a sum of ₹41.91 lakhs to various Charitable and Educational Institutions.

DIRECTORATE

Pursuant to Article 158 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri V. C. Vaidya and Smt. Divya P. Mafatlal, are due to retire at the ensuing Annual General Meeting and are eligible for reappointment.

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

CORPORATE GOVERNANCE

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

INSURANCE

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

AUDITORS

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

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai

Dated : 24th April, 2012.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012

<i>No. of Equity Shares held</i>	<i>No. of Shareholders</i>	<i>No. of Shares held</i>
1 to 50.....	15,471	4,20,466
51 to 100.....	6,954	5,89,280
101 to 200.....	5,821	9,28,580
201 to 500.....	5,830	20,75,861
501 to 1000.....	2,295	18,65,768
1001 to 5000.....	1,930	45,78,476
5001 to 10000.....	299	22,30,563
10001 & above.....	278	5,16,39,947
Total.....	38,878	6,43,28,941

Total No. of Employees 17

CORPORATE GOVERNANCE

INTRODUCTION

Company's Philosophy on Corporate Governance

Corporate Governance aims at achieving long-term viability of business keeping in mind effective relationship with shareholders and establishing systems that help the Board in monitoring risks. Your Company has been practicing principles of good Corporate Governance over the years and has been uploading fair and ethical business and corporate practices and transparency in its dealings, laying emphasis on timely regulatory compliance.

I. BOARD OF DIRECTORS

A. Composition and category of Directors is as follows:

Names of Directors	Category Executive/ Non-Executive/ Independent	No. of other Directorships and Committee Memberships	
		Other Directorships (including Private Companies)	Other Committee Memberships**
Shri Pradeep R. Mafatlal, Chairman	Promoter, Non-Executive	9*	1
Shri Russi Jal Taraporevala	Non-Executive & Independent	4	4 (1)
Shri V. C. Vaidya	Non-Executive & Independent	3	—
Shri M. L. Apte	Non-Executive & Independent	8	7
Shri F. M. Pardiwalla	Non-Executive & Independent	1	2 (1)
Shri K. J. Pardiwalla (#)	Non-Executive	3	—
Smt. Divya P. Mafatlal	Promoter, Non-Executive	6	—
Shri. D. H. Parekh (+)	Executive Director	4	—

* Including Foreign Companies

** Figure in brackets indicate Committee Chairmanships.

(#) Managing Director upto 1st August, 2011.

Appointed as Additional Director w.e.f. 2nd August, 2011.

Appointed as Director by shareholders in the AGM held on 4th August, 2011.

(+) Appointed as Additional Director on 3rd June, 2011.

Appointed as Executive Director w.e.f. 2nd August, 2011 by shareholders in the AGM held on 4th August, 2011.

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

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

Names of Directors	No. of Board Meetings attended	Last Annual General Meeting attended
Shri Pradeep R. Mafatlal, Chairman	6	No
Shri Russi Jal Taraporevala	5	No
Shri V. C. Vaidya	6	No
Shri M. L. Apte	4	No
Shri F. M. Pardiwalla	6	Yes
Shri K. J. Pardiwalla (#)	6	Yes
Smt. Divya P. Mafatlal	5	No
Shri D. H. Parekh (+)	5	Yes

(#) Managing Director upto 1st August, 2011.

Appointed as Additional Director w.e.f. 2nd August, 2011.

Appointed as Director by shareholders in the AGM held on 4th August, 2011.

(+) Appointed as Additional Director on 3rd June, 2011.

Appointed as Executive Director w.e.f. 2nd August, 2011 by shareholders in the AGM held on 4th August, 2011.

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

Six Board Meetings were held during the Financial Year from 1st April, 2011 to 31st March, 2012. The dates of such Board Meetings are 30.05.2011, 03.06.2011, 16.06.2011, 05.08.2011, 09.11.2011 and 07.02.2012.

II. AUDIT COMMITTEE

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

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

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

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

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

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

During the Financial Year ended 31st March, 2012 the Audit Committee met four times. Attendance during the Financial Year is as under:

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

III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee deals with matters relating to (a) Transfer of Shares, (b) Issue of duplicate/new, sub-divided and consolidated share certificates and (c) Shareholders/Investors Grievances and its redressal.

The aforesaid Committee has met 23 times in the year ended 31st March, 2012.

Members	Meetings attended
Shri V. C. Vaidya, Chairman	23
Shri R. J. Taraporevala	20
Shri P. R. Mafatlal	15
Shri F. M. Pardiwalla	23
Shri K. J. Pardiwalla	19

Name and designation : Smt. T. B. Panthaki,
of the Compliance Officer Company Secretary.

Number of Shareholders' : 2
Complaints received during the financial year 1st April, 2011 to 31st March, 2012.
Number of complaints not resolved to the satisfaction of shareholders. : Nil
Number of pending share Transfers/complaints : Nil

IV. REMUNERATION COMMITTEE

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

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

The aforesaid Committee has met once in the Financial Year from 1st April, 2011 to 31st March, 2012.

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

Remuneration Policy

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

The remuneration paid to Shri K. J. Pardiwalla, ex-Managing Director and Shri D. H. Parekh, Executive Director, during the Financial Year, is as under:

(₹ in lakhs)

	Salary	Per- quisites	Contri- butions	Total
Shri K. J. Pardiwalla, (upto 1st August, 2011)	15.20	0.93	6.55	22.68*
Shri D. H. Parekh (from 2nd August, 2011)	15.36	2.97	5.52	23.85**

* The above remuneration does not include retirement benefits paid at the end of the tenure.

** Subject to the approval of Central Government in respect of his gratuity entitlement as per the policy of the Company, for which necessary application has been filed by the Company

V. INVESTMENT COMMITTEE

The Investment Committee is vested with powers to invest an amount not exceeding ₹ 125 Crores from the excess funds available with the Company

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in Initial Public Offers (IPOs), purchase of shares from Secondary Markets, Mutual Funds/Fixed Deposits with various Banks, etc. The said Committee has been formed under the provisions of Section 292(1)(d) of the Companies Act, 1956.

The Investment Committee comprises three Directors, viz. Shri Pradeep R. Mafatlal, Shri V. C. Vaidya and Shri K. J. Pardiwalla. The Committee met six times during the Financial Year i.e. 30.05.2011, 03.06.2011, 16.06.2011, 05.08.2011, 09.11.2011 and 07.02.2012.

VI. RISK MANAGEMENT

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

VII. CODE OF CONDUCT

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

VIII. DIRECTORS' REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2012.

Names of Directors	Remuneration paid during April, 2011 to March, 2012			
	Sitting Fees ₹	Salary & Perks ₹	Total ₹	No. of shares held as on 31.03.2012
Shri Pradeep R. Mafatlal, Chairman	1,92,000	—	1,92,000	13,555
Shri Russi Jal Taraporevala	2,68,000	—	2,68,000	2,600
Shri V. C. Vaidya	3,23,000	—	3,23,000	34
Shri M. L. Apte	1,60,000	—	1,60,000	2,300
Shri F. M. Pardiwalla	3,03,000	—	3,03,000	4,650
Shri K. J. Pardiwalla, Managing Director (upto 1st August, 2011); Director (w.e.f. 2nd August, 2011)	1,30,000	22,67,876*	23,97,876*	—
Smt. Divya P. Mafatlal	1,00,000	—	1,00,000	—
Shri D.H. Parekh, Executive Director (w.e.f. 2nd August, 2011)	—	23,84,895**	23,84,895**	—
TOTAL	14,76,000	46,52,771	61,28,771	

* Salary and Perks upto 1st August, 2011
The above remuneration does not include retirement benefits paid at the end of the tenure.

** Salary and Perks from 2nd August, 2011
Subject to the approval of Central Government in respect of his gratuity entitlement as per the policy of the Company, for which necessary application has been filed by the Company

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

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

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

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

IX. SHAREHOLDERS' INFORMATION

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

Year	AGM	Location	Date and Time
2010-2011	AGM	The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai-400 614.	04-08-2011 at 3.00 p.m.
2009-2010	AGM	---do---	09-08-2010 at 3.00 p.m.
2007-2009	AGM	Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai-400 018	25-08-2009 at 3.00 p.m.

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

No Special Resolution was put through Postal Ballot last year, however, a Notice of Postal Ballot dated 16.06.2011 together with Ordinary Resolution, explanatory statement and postal ballot form were sent to the Shareholders for the purpose of enabling them to cast their votes. The results of the Postal Ballot are as under:

Subject	Votes in favour	Votes against	Invalid Votes	Percentage in favour
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, authorizing the Board of Directors of the Company to sell, lease, transfer, assign, develop or otherwise dispose of in any manner, the whole or substantially the whole of the Undertaking of the Company comprising the land situated at Village Naugama, Taluka Zagadia, District Bhrauch, Gujarat, to one or more parties in one or more tranches.	3,91,54,834	75,828	19,393	99.81

The above Resolution mentioned in the Notice dated 16.06.2011, was passed with requisite majority. The said results were declared by a Director of the Company, on Wednesday, 3rd August, 2011.

X. DISCLOSURES

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

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

Transactions with the related parties are disclosed in Note No. 25 (g) & (r) to the 'Notes

forming part of the Financial Statements for the year under review.

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

None

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

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

4. **Dividend Payment Date** : On and from Tuesday, the 21st August, 2012.
5. **Listing of Equity Shares on the Stock Exchanges** :
1. Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Fort, Mumbai-400 023.
 2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

The Company has paid Listing Fees to the above Stock Exchanges upto 31st March, 2013.

XI. MEANS OF COMMUNICATION

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

The Company's website is www.standardindustries.co

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

XII. GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date & Time : 14th August, 2012
at 3.00 p.m.

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

2. Financial Calendar (tentative)

Financial Reporting : Mid August, 2012.
for the Quarter ended
30th June, 2012.

Financial Reporting : Mid November, 2012.
for the Quarter ended
30th September, 2012.

Financial Reporting : Mid February, 2013.
for the Quarter ended
31st December, 2012.

Financial Reporting : End May, 2013.
for the Quarter ended
31st March, 2013.

Annual General Meeting for the year ending 31st March, 2013.
: August/September, 2013.

3. **Book Closure Date** : 31st July, 2012 to
14th August, 2012.
(both days inclusive).

6. Stock Code

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

7. **Stock Market Data** : Please see Annexure "1"

8. **Stock performance** : Please see Annexure "2"

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

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10. **Share Transfer System** : Shares sent for transfer in physical form are registered by the Registrar & Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. and returned between 15 & 30 days from the date of receipt if documents are in order in all respects. Shares under objections are returned within 2 weeks.

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

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

12. **Distribution of Shareholdings as on 31st March, 2012:**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% Shareholding
1 to 50	15,471	4,20,466	0.65
51 to 100	6,954	5,89,280	0.92
101 to 200	5,821	9,28,580	1.44
201 to 500	5,830	20,75,861	3.23
501 to 1000	2,295	18,65,768	2.90
1001 to 5000	1,930	45,78,476	7.12
5001 to 10000	299	22,30,563	3.47
10001 & above	278	5,16,39,947	80.27
TOTAL	38,878	6,43,28,941	100.00

13. **Categories of Shareholding as on 31st March, 2012:**

Categories	No. of Share-Holders	No. of Shares held	% Shareholding
Promoters/ Group Companies	5	1,29,40,042	20.12
Public/Pvt. Limited Companies	523	33,81,321	5.26
Insurance Companies	7	17,83,363	2.77
Public Financial Institutions/Banks	24	13,54,042	2.10
Mutual Funds/UTI	14	68,059	0.11
Foreign Institutional holding	2	1,00,119	0.16
NRIs/OCBs	176	2,54,84,413	39.62
Resident Individuals	38,127	1,92,17,582	29.86
TOTAL	38,878	6,43,28,941	100.00

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

57.38% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2012. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 8th May, 2000, as per notification issued by the Securities and Exchange Board of India (SEBI).

15. **Plant Location:**

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

16. **Address for Correspondence**

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

For Shares held in Physical Form

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

For Shares held in Dematerialised Form

To the Depository Participant

ii. **Any query on Annual Report:**

Standard Industries Limited,
Secretarial Department,
Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Ghansoli,
Navi Mumai-400 701.
Tel. No. : 91 22 6516 2883, 6516 2890
Fax: No.: 91 22 2778 0175.

17. **Green Initiative**

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

To support this green initiative of the Government, in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail

addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate columns in the Green Initiative Form attached hereto and register the same

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

ANNEXURE – “1”

Month	Month's High Price		Month's Low Price		No. of Shares Traded		Value ₹ (in lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April 2011	34.05	33.95	25.05	25.45	543257	200599	174.49	64.59
May 2011	33.85	33.05	26.40	26.10	304882	77446	92.77	22.91
June 2011	44.70	45.15	30.80	30.15	1937050	357909	729.44	133.24
July 2011	36.00	36.00	31.20	31.20	390860	121386	132.79	40.94
Aug. 2011	32.50	32.30	25.50	25.00	479927	206164	141.02	60.54
Sept. 2011	28.00	28.10	23.45	23.60	207421	83402	53.53	21.33
Oct. 2011	25.20	24.95	21.20	21.40	286410	61825	66.54	14.29
Nov. 2011	24.75	24.80	18.55	18.30	144425	92988	29.58	19.14
Dec. 2011	20.50	20.00	15.65	15.75	167373	67540	28.99	12.30
Jan. 2012	21.75	21.20	15.55	15.70	182417	45655	35.06	8.87
Feb. 2012	24.25	23.85	19.50	19.35	182920	161172	40.02	35.17
March 2012	22.95	22.65	16.70	16.25	459864	186882	87.51	37.84

ANNEXURE – “2”

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

(a) SIL share price performance relative to BSE Sensex based on share price on 31st March, 2012.

Period	Share price	Sensex	Relative to Sensex
01.04.2011 to 31.03.2012	- 29.61%	- 10.58%	- 19.03%

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2012.

Period	Share price	Nifty	Relative to Nifty
01.04.2011 to 31.03.2012	- 33.01%	- 9.25%	- 23.76%

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

To

The Directors,
Standard Industries Limited

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

I confirm that the Company has in respect of the financial year ended 31st March, 2012, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

D. H. PAREKH
Executive Director

Mumbai

Dated : 24th April, 2012.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Standard Industries Limited

We have examined the compliance of conditions of Corporate Governance by Standard Industries Limited (the Company) for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

A. B. JANI
Partner
Membership No. 46488

Mumbai

Dated : 24th April, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

REAL ESTATE DIVISION

The year under review still remains extremely challenging for the real estate business. The Company has entered into a Term Sheet dated 17th June, 2011, with Peninsula Mega City Development Private Limited for development of balance portion of approximately 62.25 acres of land. The company will receive an aggregate sum of ₹ 130 Crores spread over a period of five years and 20% of constructed I.T. space/area in the development subject to MIDC clearances and approval.

INDUSTRY OVERVIEW

The overall sentiments of the market and the consistent rate of new project launches in Mumbai give a clear indication of an impending over-supply in 2012 and a lot of developers in the most severely affected locations are currently open to closing sales at lower rates. Many developers have switched from offices to residential in the hope of keeping profits high but this sector is slumping too. The glut is likely to extend into 2013 as steady streams of new developments are launched on the market. Developers who have bought land at high prices now have to bring the prices down.

The year 2011 observed greater unsold inventories as well as time delay in project execution because of constant rise in the interest rates of Industrial and Housing loans by the Reserve Bank of India, compelling purchasers to postpone their purchases, which resulted in a liquidity crunch for the developers as well as higher construction cost as a result of raw material expenses.

The realty industry, that had a difficult time in the previous year with rising debt burden and unsold inventory, are not quite positive in regards to the new year, taking into consideration the rough patch the financial system has entered into. Experts, however, anticipate a noticeable difference when it comes to completion of the present projects, since they are more likely to concentrate on execution as well as on timely delivery in the new year.

COMPANY OVERVIEW

The various segments which may be broadly classified for Company's business are Information Technology Parks, Commercial Offices, Hospitality Projects, Malls, Banking and Financial Services, etc. whether on its own or as a joint venture/joint development or otherwise in one or more tranches in a commercially viable manner. The global economic slow down coupled with liquidity crunch due to global financial crisis has resulted in reduced demand for realty business. The Company has entered into a Term Sheet dated 17th June, 2011, with Peninsula Mega City Development Private Limited for development of balance portion of approximately 62.25 acres of land.

Strengths:

1. Significant rise in consumerism due to improvement in infrastructure facilities in Navi Mumbai.
2. Rapid urbanization.
3. Historical low cost of land.
4. The company has its presence in Navi Mumbai area since more than 5 decades which is fast developing. The company has huge potential to develop its realty space as desired by it. With the State and National level policies of on-going reforms to provide sufficient impetus to infrastructure construction and Real Estate activity, there may be a boom for the Real Estate Industry in the long run.
5. Easy availability of I.T and Financial Professionals in Navi Mumbai.
6. Congestion and costly office/I.T. space in Mumbai attract people to Navi Mumbai.

Weakness:

1. Tight liquidity and tight credit availability for Indian Corporates/individuals.
2. Global economic recession.
3. Fall in market demand.
4. In 2012 several I.T. companies are looking to pre-lease office space to take advantage of the favourable commercial terms currently being proposed by commercial office space developers. The demand is expected to remain stable. However, the office space supply is expected to outweigh the demand in most prime cities of India.
5. MIDC is the Lessor of the lease-hold land held by the Company in Navi Mumbai. MIDC has stringent policies with regard to development of land, huge transfer charges and premium for the same.

OPPORTUNITIES & CHALLENGES

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

RISKS & CONCERNS

1. The Indian Real Estate sector has been severely impacted by the global economic down-turn in the past 12 to 18 months. This sector is experiencing liquidity crunch coupled with slow down in demand.

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2. Navi Mumbai property prices are expected to nose-dive in 2012.
3. Sharp increase in repo and reverse repo rates in the last two years have affected the real estate sector. Sales and net profit of most developers have gone down while the interest outgo has increased significantly.

TRADING DIVISION

Due to global economic slow down the textile market is sluggish and the sale of textile fabrics have been adversely affected. During the financial year cotton raw material prices have crashed and hence fabric prices have dropped by 15% to 20%. It has adversely affected the sales. Customers are expecting further fall in the prices of textiles and are limiting their purchases. The quarter October/December, 2011 was depressed and has affected the sales figures adversely. The Company is concentrating on regular product range such as suiting, shirting, 2 x 2 rubia, dhoti, etc. The Company is also in the process of adding new products in the home textiles. Needless to mention that quality standards are being maintained at all times to the highest level.

1. SEGMENT-WISE PERFORMANCE

Segment-wise performance together with discussion on financial performance with reference to the

operational performance has been dealt with in the Directors' Report which should be treated as forming part of the Management Discussion and Analysis.

2. GENERAL INTERNAL AUDIT

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use on disposition and transactions are authorized, recorded and reported correctly.

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

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

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

3. HUMAN RESOURCES

As on 31st March, 2012, the employees' strength (on permanent roll) of the Company was 17.

AUDITORS' REPORT

TO
THE MEMBERS OF STANDARD INDUSTRIES LIMITED.

1. We have audited the attached Balance Sheet of Standard Industries Limited ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, *except for recognition of revenue on transfer of Transferable Development Rights on the basis of a Memorandum of Understanding, as detailed in Note 25(q) to the financial statements.*
5. *Attention is invited to the Note 25(q) to the financial statements regarding accounting for consideration amounting to ₹ 403.80 lakhs on transfer of Transferable Development Rights (TDR) on a piece of land owned by the Company on the basis of a Memorandum of Understanding entered into by the Company with one of its subsidiary, pending receipt of Development Rights Certificate (DRC), the said title document for the TDR, by the Company and endorsement thereof in the name of Subsidiary as detailed in the said note. Had this accounting not been done, the Revenue from Operations and Trade Receivables would have been lower and the loss for the year would be higher by the like amount.*
5. *Subject to our observations in paragraph 4(v) above, in our opinion and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
6. On the basis of written representations received from the directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

A. B. JANI
Partner
Membership No. 46488

Mumbai,
Dated : 24th April, 2012

STANDARD INDUSTRIES LTD.

ANNEXURE TO THE AUDITORS' REPORT RE: STANDARD INDUSTRIES LIMITED

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

- (i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification;
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to Section 301 that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from the public. We are informed that no Order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We are informed that, during the year there were no production activities carried out by the Company. Hence, as per information and explanation given to us the prescribed cost records, under Section 209(1)(d) of the Companies Act, 1956 with regard to the relevant product of the Company have not been maintained. (Also refer Note 25(s) of Financials Statements).
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in

- arrears as at 31st March, 2012 for the year of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are cases of non-deposit of disputed dues aggregating to ₹ 553.77 lakhs (₹ 106.93 lakhs pending before Commissioner of Central excise, ₹ 178.60 lakhs pending before the CESTAT, ₹ 138.87 lakhs pending before Assistant/ Deputy Commissioner of Central excise, ₹ 129.37 lakhs pending before Bombay High Court) and ₹ 19.22 lakhs pending before Regional Director of Employees' State Insurance Corporation except for these, there are no other cases of non-deposit with appropriate authorities of disputed dues in respect of Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty and Cess.
- (xi) The Company has no accumulated losses as at the end of the year. The Company has incurred cash losses in the current financial year including immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xiii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year. Hence, clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

A. B. Jani
Partner
Membership No. 46488

Mumbai,
Dated : 24th April, 2012

STANDARD INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	3	3216.45	3216.45
(b) Reserves and surplus	4	11435.38	12006.18
		<u>14651.83</u>	<u>15222.63</u>
(2) NON CURRENT LIABILITIES			
Long-term provisions	5	3.97	5.67
(3) CURRENT LIABILITIES			
(a) Trade payables.....	6	107.19	149.03
(b) Other current liabilities.....	7	1635.60	329.93
(c) Short-term provisions.....	8	1224.64	1277.99
		<u>2967.43</u>	<u>1756.95</u>
Total....		<u>17623.23</u>	<u>16985.25</u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) FIXED ASSETS			
(i) Tangible assets	9	1781.22	1158.95
(ii) Capital work-in-progress.....	9	1105.92	211.78
(b) Non-current investments.....	10	183.88	145.90
(c) Long-term loans and advances.....	11	1790.34	1580.19
(d) Other non-current assets.....	12	180.70	127.89
		<u>5042.06</u>	<u>3224.71</u>
(2) CURRENT ASSETS			
(a) Current investments.....	13	108.82	768.24
(b) Inventories	14	101.42	92.52
(c) Property under development.....	15	2209.68	2209.68
(d) Trade receivables.....	16	496.50	121.46
(e) Cash and cash equivalents	17	7562.57	9183.09
(f) Short-term loans and advances.....	18	2037.95	1306.77
(g) Other current assets	19	64.23	78.78
		<u>12581.17</u>	<u>13760.54</u>
Total....		<u>17623.23</u>	<u>16985.25</u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

V. C. VAIDYA

M. L. APTE

F. M. PARDIWALLA

K. J. PARDIWALLA

Directors

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	Year ended 31st March, 2012 ₹ in Lakhs	Year ended 31st March, 2011 ₹ in Lakhs
(I) INCOME			
(a) Revenue from operations.....	20	1246.58	906.49
(b) Other income.....	21	1087.53	927.81
(c) Amount withdrawn from revaluation reserve		—	5.58
Total Revenue....		<u>2334.11</u>	<u>1839.88</u>
(II) EXPENSES			
(a) Purchase of traded goods.....		657.72	627.00
(b) Change in Inventories of Stock-in-trade.....	22	(8.90)	64.61
(c) Employee benefits expenses.....	23	239.10	169.12
(d) Depreciation and amortisation.....	9	88.85	138.87
(e) Other expenses	24	1393.11	1136.19
Total Expenses....		<u>2369.88</u>	<u>2135.79</u>
(III) (LOSS) BEFORE TAXES (I - II)		(35.77)	(295.91)
(IV) TAX EXPENSE			
(a) Current Tax		—	—
(b) Excess Provision for taxes in respect of earlier years.....		25.71	18.87
(V) (LOSS) FOR THE YEAR [(III-IV(A)+IV(B))		(10.06)	(277.04)
(VI) EARNINGS PER SHARE – BASIC AND DILUTED ₹		(0.02)	(0.43)
Nominal value per share ₹.....		5.00	5.00
[Refer Note 25(i)]			
See accompanying notes forming part of the Financial Statements			

In terms of our report attached

P. R. MAFATLAL
Chairman

V. C. VAIDYA

For Deloitte Haskins & Sells
Chartered Accountants

D. H. PAREKH
Executive Director

M. L. APTE

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

F. M. PARDIWALLA

K. J. PARDIWALLA

Directors

Mumbai, Dated: 24th April, 2012

Mumbai, Dated: 24th April, 2012

STANDARD INDUSTRIES LTD.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year ended 31st March, 2012 ₹ in Lakhs	Year ended 31st March, 2011 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(LOSS) BEFORE TAXES.....	(35.77)	(295.91)
Adjustments for:		
Depreciation.....	88.85	133.29
Sundry Debit balances written off	—	37.57
Profit on sale of fixed assets.....	(0.75)	—
Loss on write off of Fixed Assets	7.70	2.33
Sale of Transferable Development Right to Subsidiary Company	(403.80)	—
Sundry Credit balances written back	(6.12)	(27.92)
Excess Provision for Doubtful Advances written back	(107.53)	—
Dividend on Current/non-current Investments	(13.67)	(4.66)
Interest income on Fixed Deposits with Banks.....	(763.22)	(446.34)
Interest income on Inter Corporate Deposits.....	(64.29)	(37.60)
Gain on Sale of Current-Investments	(65.10)	(377.58)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(1327.93)	(720.91)
Decrease in Trade and other receivables	219.52	177.07
(Increase)/Decrease in Inventories	(8.90)	64.61
Increase/(Decrease) in Trade and other payables.....	1225.19	(127.65)
	1435.81	114.03
	72.11	(902.79)
Direct Taxes paid	(99.69)	(64.42)
NET CASH USED IN OPERATING ACTIVITIES (A).....	(27.58)	(967.21)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets.....	(1570.66)	(436.24)
Purchase of Current/non-current Investments	(876.81)	(269.63)
Sale of Current Investments.....	1563.35	5970.69
Sale of Fixed Assets.....	3.93	—
Unsecured loan to Subsidiary Companies (net).....	(177.84)	(1290.82)
Dividend on Current/non-current Investments	13.67	4.66
Interest income on Fixed Deposits with Banks.....	776.89	407.54
Interest income on Inter Corporate Deposits.....	64.29	37.60
Inter Corporate Deposit given.....	(830.00)	—
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES (B).....	(1033.18)	4423.80

CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year ended 31st March, 2012 ₹ in Lakhs	Year ended 31st March, 2011 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend Paid.....	(481.49)	(477.35)
Corporate Dividend Tax paid	(78.27)	(80.13)
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>(559.76)</u>	<u>(557.48)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1620.52)	2899.11
CASH AND CASH EQUIVALENTS AS AT 01.04.11 (OPENING BALANCE).....	9183.09	6283.98
CASH AND CASH EQUIVALENTS AS AT 31.03.12 (CLOSING BALANCE).....	<u>7562.57</u>	<u>9183.09</u>

Notes:

- Components of cash and cash equivalents include cash and bank balances (Refer Note 17 forming part of the Financial Statements.)
- Cash and Cash equivalents include balances in current account with Banks aggregating to ₹ **30.39 lakhs** (Previous year ₹ 30.55 lakhs) which are restricted in use on account of unclaimed Dividends, etc.
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

V. C. VAIDYA

M. L. APTE

F. M. PARDIWALLA

K. J. PARDIWALLA

} Directors

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

Corporate Information:

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

Note 2:

Significant Accounting Policies:

(a) Basis of preparation of financial statements:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Financial Statements have been prepared in the format prescribed under the Revised Schedule VI to the Companies Act, 1956. The 'operating cycle' as defined under the said Schedule and considered in these financials is of twelve months duration.

(b) Use of Estimates:

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

(c) Fixed Assets:

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

Fixed Assets viz. land, buildings, plant and machinery as on 31.12.1984 had been revalued on the basis of their current replacement price as on 31.12.1985 and related factors. Accordingly, they were stated at revalued cost. [Also refer note 25(t)].

(d) Depreciation:

(i) Depreciation is provided on revalued cost of assets on the basis of residual life of assets as determined by the external valuers.

(ii) Depreciation is also calculated on historical cost of assets [Also refer note 25 (c)].

(iii) Cost of leasehold land is amortized over the period of lease [Also refer note 25 (t)].

(e) Investments:

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

(f) Inventories:

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

(g) Property under Development:

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

(h) Doubtful Debts/Advances:

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

(i) Contingent Liabilities and provisions:

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts, if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(j) Revenue Recognition:

Revenue (income) is recognized when no significant uncertainty as to measurability or collectability exists. Sales includes sales value of goods and excludes other recoveries such as handling charges, transport, octroi, etc. and Value Added Tax.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 2 (Contd.):

(k) Employee Benefits:

Provision for gratuity is made in the accounts on the basis of actuarial valuation carried out at year-end.

Contribution as required under the statute/rules is made to the Group Provident Fund as also to Government Provident Fund.

Contribution is made to the Group Superannuation Fund in respect of Management Cadre Staff.

(l) Foreign Currency Transactions:

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

(m) Impairment of Assets:

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

(n) Borrowing Costs:

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

(o) Taxes on Income:

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

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

Note 3:

Share Capital

Authorized:

	As at 31st March, 2012 ₹ in Lakhs	<i>As at 31st March, 2011 ₹ in Lakhs</i>
15,00,00,000 Equity Shares of ₹ 5/- each	7500.00	<i>7500.00</i>
	<u>7500.00</u>	<i><u>7500.00</u></i>

Issued, Subscribed and Paid-up

6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up.....	3216.45	<i>3216.45</i>
	<u>3216.45</u>	<i><u>3216.45</u></i>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 3 (Contd.):

Note:

Details of Equity Shares held in the Company by each shareholder holding more than 5% shares.

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Stanrose Mafatlal Investments & Finance Limited....	1,24,04,487	19.28	1,13,83,756	17.70
Satin Limited.....	2,50,00,000	38.86	2,50,00,000	38.86

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 4:		
Reserves and Surplus		
(a) Capital Redemption Reserve		
As per last Balance Sheet.....	12.00	12.00
(b) Securities Premium Account		
As per last Balance Sheet.....	2526.90	2526.90
(c) Revaluation Reserve:		
As per last Balance Sheet.....	13.56	200.07
Less: Adjustment on account of revalued assets transferred to Stock in trade [Refer Note 25(t)].....	—	180.93
Withdrawn from the Reserve and credited to Profit and Loss Account.....	—	5.58
	—	186.51
Closing Balance	13.56	13.56
(d) General Reserve:		
As per last balance Sheet.....	1004.00	1004.00
(e) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year.....	8449.72	9287.50
Less: (Loss) for the year.....	(10.06)	(277.04)
	8439.66	9010.46
Less: Proposed Dividend on Equity Shares	482.47	482.47
Corporate Tax on Dividend	78.27	78.27
	560.74	560.74
Closing Balance	7878.92	8449.72
Total....	11435.38	12006.18

Note 5:

Long Term Provisions

Provision for employee benefits		
– For Compensated Absences	3.97	5.67
Total....	3.97	5.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 6:		
Trade Payables		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 25(e)]	—	—
(b) Total Outstanding dues of other than Micro Enterprises and Small Enterprises.....	107.19	149.03
Total....	107.19	149.03
Note 7:		
Other Current Liabilities		
(a) Unpaid Dividends (not due for transfer to Investor Education and Protection Fund).....	30.34	29.36
(b) Other Payables		
(i) Statutory Liabilities	198.08	191.84
(ii) Payable on account of Fixed Assets.....	234.84	—
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received].....	19.33	20.38
(iv) Trade Advance Received [Refer Note 25(t)]	1100.00	—
(v) Others [Refer Note 25(v)]	53.01	88.35
	1635.60	329.93
Note 8:		
Short-term Provisions		
(a) Provision for employee benefits		
(i) For Gratuity/ex-gratia/VRS.....	13.79	59.56
(ii) For Compensated Absences	18.84	26.43
(b) Others:		
(i) For Income Tax (Net of Advance Tax).....	47.61	47.60
(ii) Proposed Dividend on equity shares.....	482.47	482.47
(iii) Corporate Dividend Tax	78.27	78.27
(iv) For Disputed Rent	583.66	583.66
	1224.64	1277.99

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 9:

FIXED ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction	As at 31.03.2012	Up to 31.03.2011	For the year	Deduction	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
(I) Tangible Assets (Owned)										
(a) Freehold Land [Refer Note 25(q)]	24.42	—	—	24.42	—	—	—	—	24.42	24.42
(b) Buildings	734.42	663.26	1.19	1396.49	157.10	18.92	0.39	175.63	1220.86	577.32
(c) Plant and Machinery	188.15	9.30	17.46	179.99	93.07	9.52	10.20	92.39	87.60	95.08
(d) Furniture and Fixtures	251.48	37.82	123.59	165.71	169.64	9.28	123.59	55.33	110.38	81.84
(e) Office Equipments	50.64	11.64	—	62.28	15.84	2.81	—	18.65	43.63	34.80
(f) Vehicles	515.44	—	7.26	508.18	169.95	48.32	4.42	213.85	294.33	345.49
Total	1764.55	722.02	149.50	2337.07	605.60	88.85	138.60	555.85	1781.22	1158.95
Previous year	4183.30	144.22	2562.97	1764.55	636.76	138.87	170.03	605.60		
(II) Capital Work-in-Progress:										
Assets under Construction									1105.92	211.78
									Total	2887.14
										1370.73

Notes:

- Certain Fixed Assets of the Company i.e. land, buildings, plant and machinery as on 31.12.1984 have been revalued by external valuers on the basis of their replacement prices as on 31.12.1985 and related factors. This had resulted in increase in the net value of the said assets by ₹ 5187.34 lakhs (Gross ₹ 10985.11 lakhs less accumulated depreciation ₹ 5797.77 lakhs), which had been transferred to Revaluation Reserve. During Previous year, the Company had transferred the leasehold land to property under development. Appropriate adjustments to the balance in Revaluation Reserve as a result on this transfer, had been made in the Previous year. [Refer Note 25(t)].
- Buildings include ₹ 1147.83 lakhs (Previous year ₹ 482.60 lakhs) being the original cost of ownership flats. The Company holds 135 Shares (Previous year 125 Shares) of the aggregate face value of ₹ 0.07 lakh, (Previous year ₹ 0.06 lakh) in Co-operative Societies under the bye-laws of Societies. The shares in respect of certain flats are yet to be received.

	As at 31st March, 2012	As at 31st March, 2011
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	70.78	70.78

Note 10:

Non-Current Investments (At Cost)

Other Investments (non-trade)

Investments in Equity shares

(I) Of Subsidiaries (Unquoted)

(a) Standard Salt Works Limited [Refer Note 25(r)] 223 Equity Shares of the face value of ₹ 100/- each fully paid-up.....	0.89	0.89
46777 Equity Shares of the face value of ₹ 100/- each ₹ 30/ per share paid-up	59.89	59.89
(b) Stan Plaza Limited 50007 Equity Shares of the face value of ₹ 10/- each fully paid-up.....	5.00	5.00
(c) Mafatal Enterprises Limited 50007 Equity Shares of the face value of ₹ 10/- each fully paid-up.....	5.00	5.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 10 (Contd.):		
Non-Current Investments (At Cost) (Contd.)		
(II) Of Other Companies (Quoted)		
(a) Nocil Limited 13320 Equity Shares of face value of ₹ 10/- each	0.17	0.17
(b) Stanrose Mafatlal Investment and Finance Limited 18925 (Previous year 15924) Equity Shares of face value of ₹ 10/- each	19.09	16.66
(c) Finolex Industries Ltd..... 20000 Equity Shares of face value of ₹ 10/- each	11.44	11.44
(d) HDFC Bank Limited 7500 Equity Shares of face value of ₹ 2/- each	35.55	—
(e) State Bank of India 2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
	104.41	66.43
(III) Of Other Companies (Unquoted)		
(a) Stanrose Mafatlal Lubechem Limited 200 Equity Shares of face value of ₹ 5/- each *	—	—
(b) Syngenta India Limited 2000 Equity Shares of face value of ₹ 10/-each	8.69	8.69
	8.69	8.69
Total....	183.88	145.90

Note:

	Cost ₹ in lakhs	Market Value ₹ in lakhs
Aggregate of quoted investments.....	104.41	115.57
Previous year	66.43	98.97
Aggregate of unquoted investments	79.47	
Previous year	79.47	
Total....	183.88	
Previous year....	145.90	

* The cost of these shares as on 31.03.12/31.03.2011 is ₹ 1.

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2012	As at 31st March, 2011
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Note 11:		
Long-Term Loans and Advances		
(unsecured)		
(a) Capital Advances (considered good).....	34.74	80.24
(b) Security Deposits (considered good).....	49.27	52.01
(c) Loan and Advances to Related Parties (considered good) [Refer Note 25(g), (r) & p(ii)]	1453.87	1250.49
(d) Other Loan and Advances		
(i) Balance with Government authorities (Excise, Service tax etc.) (considered good).....	132.31	185.83
(ii) Advance to creditors:		
— Considered good	120.15	11.62
— Considered doubtful.....	265.43	372.96
Less: Provision	265.43	372.96
	<u> —</u>	<u> —</u>
Total....	<u><u>1,790.34</u></u>	<u><u>1580.19</u></u>

Note 12:		
Other Non Current Assets		
Unsecured – Considered Good		
(a) Interest accrued on unsecured loan to subsidiary [Refer Note 25(g) & (r)].....	75.47	22.66
(b) Fixed Deposits with banks-under lien	105.23	105.23
Total....	<u><u>180.70</u></u>	<u><u>127.89</u></u>

Note 13:		
Current Investments		
(unquoted-at cost)		
Investments in Mutual Funds (Unquoted)		
(a) Tata Fixed Maturity Plan Nil units (Previous year 5500000 units) of ₹ 10/- each	—	550.00
(b) HDFC Cash management Fund – Treasury Advantage plan 1014223.048 units (Previous year 2164932.688 units) of ₹ 10/- each	101.74	217.17
(c) Templeton India Cash Management 70754.300 units (Previous year 10729.038 units) of ₹ 10/- each.....	7.08	1.07
	<u>108.82</u>	<u>768.24</u>
Total....	<u><u>108.82</u></u>	<u><u>768.24</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2012	As at 31st March, 2011
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Note 14:		
Inventories		
(at lower of cost and net realisable value)		
Stock-in-trade (Traded Goods).....	101.42	92.52
Total....	<u>101.42</u>	<u>92.52</u>

Note 15:		
Property under Development		
(at lower of cost and net realisable value)		
Opening Balance [Refer Note 25(t)].....	2209.68	—
Add: Leasehold Land converted into Stock-in trade	—	2,209.68
Closing Balance.....	<u>2209.68</u>	<u>2,209.68</u>
Total....	<u>2209.68</u>	<u>2,209.68</u>

Note 16:		
Trade Receivables		
(Unsecured)		
(a) Outstanding for a period exceeding six months from the date they were due for payment:		
— Considered good.....	54.96	43.69
— Considered doubtful.....	395.68	395.68
Less: Provision.....	<u>395.68</u>	<u>395.68</u>
	—	—
(b) Others (considered good)	<u>441.54</u>	<u>77.77</u>
Total....	<u>496.50</u>	<u>121.46</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 17:			
Cash and Cash Equivalents			
(a) Cash on hand		8.85	5.20
(b) Balance with Banks			
(i) In current accounts	112.87		79.81
(ii) In earmarked accounts (unpaid dividend etc.)	36.66		37.52
(iii) In deposits accounts	7404.19		9060.56
		<u>7553.72</u>	<u>9177.89</u>
Total....		<u>7562.57</u>	<u>9183.09</u>
Note 18:			
Short-Term Loans and Advances			
(Unsecured)			
(a) Loan and Advances to related Parties (considered good) [Refer Note 25(g), (r) & p(ii)]		171.85	197.39
(b) Prepaid expenses (considered good)		17.37	14.33
(c) Inter Corporate Deposit (considered good)		1300.00	470.00
(d) Advance Tax (Net of Provisions)		363.81	309.52
(e) Other Short Term Advances:			
(i) Advance to creditors (considered good)		82.18	95.83
(ii) Others (considered good)		102.74	219.70
Total....		<u>2037.95</u>	<u>1306.77</u>
Note 19:			
Other current assets			
(unsecured)			
Accruals			
Interest accrued but not due (bank deposits etc.)		64.23	78.78
Total....		<u>64.23</u>	<u>78.78</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	₹ in lakhs	₹ in lakhs
Note 20 :		
Revenue from Operations		
(I) Sale of traded goods		
(a) Cloth.....	639.60	701.03
(b) Made-Ups.....	43.01	27.56
	<u>682.61</u>	<u>728.59</u>
(II) Other Operating Income		
(a) Sale of Transferable development Right [Refer Note 25(q)]	403.80	—
(b) Royalty received	13.89	15.40
(c) Sales Tax refund received	—	47.25
(d) Refund of regulatory liability charges	95.42	112.13
(e) Sale of Scrap	50.86	3.12
	<u>563.97</u>	<u>177.90</u>
Total	<u><u>1,246.58</u></u>	<u><u>906.49</u></u>

Note 21 :

Other Income

(a) Interest Income		
On Fixed Deposits with Banks.....	763.22	446.34
On Inter-corporate deposit.....	64.29	37.60
On Loan to Subsidiary	58.69	25.16
On Interest on Sales Tax/Income Tax Refund	6.62	4.27
On Others (security deposits etc.).....	1.40	3.98
	<u>894.22</u>	<u>517.35</u>
(b) Dividend on non-current (long-term) investments	2.26	1.66
(c) Dividend on current investments	11.41	3.00
(d) Gain on sale of current investments.....	65.10	377.58
(e) Other Non-operating Income:		
(i) Sundry Credit Balances written back.....	6.12	27.92
(ii) Excess Provision for Doubtful Advances written back	107.53	—
(iii) Profit on sale of Fixed Assets	0.75	—
(iv) Miscellaneous Income.....	0.14	0.30
	<u>114.54</u>	<u>28.22</u>
Total	<u><u>1087.53</u></u>	<u><u>927.81</u></u>

Note 22 :

Change in Inventories of Stock in Trade

(a) Inventories at the end of year.....	101.42	92.52
(b) Inventories at the beginning of year.....	92.52	157.13
Net (Increase)/Decrease...	<u><u>(8.90)</u></u>	<u><u>64.61</u></u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	₹ in lakhs	₹ in lakhs
Note 23 :		
Employee benefit expenses		
(a) Salaries	162.02	128.14
(b) Contribution to Provident and other Funds.....	57.15	21.32
(c) Staff Welfare expense.....	19.93	19.66
Total	<u>239.10</u>	<u>169.12</u>
Note 24 :		
Other expenses		
(a) Packing Material consumed.....	2.44	6.14
(b) Power and Fuel.....	57.39	63.33
(c) Rent	119.41	114.30
(d) Charges for Corporate Office service and facilities	131.04	125.43
(e) Repairs:		
To Buildings	207.26	93.73
To Machinery.....	13.13	—
To Others	11.54	26.03
	<u>231.93</u>	119.76
(f) Insurance	6.41	5.94
(g) Rates and Taxes	51.88	25.17
(h) Stationery, Printing, Advertisement, Postage and Telegrams etc.	94.04	62.62
(i) Donations.....	41.91	27.01
(j) Legal and Professional fees.....	78.14	102.32
(k) Consulting fees.....	54.86	43.96
(l) Sundry Debit Balances written-off	—	37.57
(m) Loss on write-off/sale of Fixed Assets	7.70	2.33
(n) Directors' Fees.....	14.76	9.64
(o) Travelling and Conveyance Expenses.....	224.82	150.50
(p) Security Charges	46.12	45.84
(q) Vehicle Expenses.....	52.04	46.30
(r) Temporary Manpower.....	28.46	26.98
(s) Miscellaneous Expenses	149.76	121.05
Total	<u>1393.11</u>	<u>1136.19</u>

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
Note 25:		
Additional information to the financial statements and disclosure under Accounting Standards		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	1.67	795.15
(b) Payments to Auditors*:		
(i) As Auditors (including Limited Reviews)	9.00	9.00
(ii) For Tax Audit.....	2.50	2.50
(iii) In any other manner – representation before authority, certification work, etc.....	38.05	32.20
(iv) For expenses	0.13	0.11
(v) For service tax	5.12	4.51
	54.80	48.32
*(includes payments made to an affiliated firm)		
(c) Depreciation:		
(i) Depreciation is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act,1956.		
(ii) The difference of Nil (Previous year ₹ 5.58 lakhs) between depreciation provided for the year on revalued cost of assets and that calculated on original cost/written down value of assets (revalued) for the year has been withdrawn from Revaluation Reserve Account and credited to Profit and Loss Account.		
(d) Contingent Liabilities in respect of:		
(i) Claims against the Company not acknowledged as debts		
1. ESIC claims in respect of contractor’s workers.....	19.22	68.11
2. Claims in respect of labour matters	12.74	51.50
3. Disputed rent.....	1,364.17	1,364.17
The above claims are pending before various authorities/ court. The Company is confident that the cases will be successfully contested.		
(ii) Uncalled liability on Shares partly paid held as Investments in subsidiary company	32.74	32.74
(iii) Excise Duty, etc.		
Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Company is confident that the cases will be successfully contested.....		
	553.77	424.88
(iv) Guarantees given by Bank on behalf of Company to Government authority.....	105.23	105.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As at
31st March,
2011
₹ in lakhs

₹ in lakhs

Note 25:

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

(v) The Government of Maharashtra vide Notification No. ELD-2000/CR-1022(ii) NRG-1 dated 1st April, 2000 and No. ELD-2001/CR-1069/ NRG-1 dated 4th April, 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 23.02.2010 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 Rs.1,375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard.	1,375.74	1,375.74
(e) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Note 6.		

(f) Segment Information:

Information about primary business segments.

The Company's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading

	Real Estate	Trading	(₹ in lakhs) Total
REVENUE	563.97	682.61	1,246.58
	176.29	730.20	906.49
RESULT:			
Segment Result	475.86	5.89	481.75
	43.71	6.38	50.09
Unallocated Corporate Expenses.....			1,605.05
			1,273.81
Operating Loss.....			(1,123.30)
			(1,223.72)
Unallocated Income			1,087.53
			927.81
Excess provision for Tax			25.71
			18.87
(Loss) after tax.....			(10.06)
			(277.04)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

(f) Segment Information: (Contd.)

	Real Estate	Trading	(₹ in lakhs) Total
OTHER INFORMATION:			
Segment Assets	14,967.30	278.78	15,246.08
	<i>13,986.24</i>	<i>285.38</i>	<i>14,271.62</i>
Unallocated Corporate Assets			2,377.15
			<i>2,713.63</i>
Total Assets			17,623.23
			<i>16,985.25</i>
Segment Liabilities	1,630.70	14.25	1,644.95
	<i>346.29</i>	<i>11.28</i>	<i>357.57</i>
Unallocated Corporate Liabilities			1,326.45
			<i>1,405.05</i>
Total Liabilities			2,971.40
			<i>1,762.62</i>
Capital Expenditure	1,570.66	—	1,570.66
	<i>436.24</i>	—	<i>436.24</i>
Depreciation	88.12	0.73	88.85
	<i>132.58</i>	<i>0.71</i>	<i>133.29</i>

The Company does not have any reportable secondary segments.

Note: Figures shown in italics are for previous year.

(g) Related Party Disclosure:

(i) Names of related parties where control exists:

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

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

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

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

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

(g) Related Party Disclosure:

(iii) Details of transactions with related parties:

(₹ in lakhs)

Nature of transactions	Subsidiaries	Enterprise over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Leave and Licence fees:				
Shanudeep Private Limited	— (—)	105.99 (101.00)	— (—)	105.99 (101.00)
Corporate Office and Service facilities:				
Shanudeep Private Limited	— (—)	131.04 (125.43)	— (—)	131.04 (125.43)
Payment of common expenses:				
Shanudeep Private Limited	— (—)	11.25 (12.51)	— (—)	11.25 (12.51)
Sale of Transferable Development Rights:				
Stan Plaza Limited	403.80 (—)	— (—)	— (—)	403.80 (—)
Interest on Unsecured Loan:				
Standard Salt Works Limited	58.69 (25.16)	— (—)	— (—)	58.69 (25.16)
Unsecured Loan given				
Standard Salt Works Limited	— (822.82)	— (—)	— (—)	— (822.82)
Stan Plaza Limited	203.37 (468.00)	— (—)	— (—)	203.37 (468.00)
Unsecured Loan received back				
Standard Salt Works Limited	26.04 (—)	— (—)	— (—)	26.04 (—)
Advances (net) given				
Stan Plaza Limited	0.50 (0.02)	— (—)	— (—)	0.50 (0.02)
Mafatlal Enterprises Limited	0.01 (0.01)	— (—)	— (—)	0.01 (0.01)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

(g) Related Party Disclosure: (Contd.)

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

(₹ in lakhs)

Nature of transactions	Subsidiaries	Enterprise over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Managerial Remuneration:				
Mr. K. J. Pardiwalla (including Retirement benefits).....	— (—)	— (—)	138.40 (56.53)	138.40 (56.53)
Mr. D.H. Parekh	— (—)	— (—)	23.85 (—)	23.85 (—)
Directors' Sitting Fees:				
Mr. Pradeep R. Mafatlal	— (—)	— (—)	1.92 (1.08)	1.92 (1.08)
Mrs. Divya P. Mafatlal.....	— (—)	— (—)	1.00 (0.80)	1.00 (0.80)
Outstanding balances				
Standard Salt Works Limited				
Unsecured Loan	953.48 (979.52)	— (—)	— (—)	953.48 (979.52)
Interest accrued and not due.....	75.47 (22.65)	— (—)	— (—)	75.47 (22.65)
Stan Plaza Limited				
Unsecured Loan	671.37 (468.00)	— (—)	— (—)	671.37 (468.00)
Trade receivable	393.80 (—)	— (—)	— (—)	393.80 (—)
Advances receivable.....	0.72 (0.22)	— (—)	— (—)	0.72 (0.22)
Mafatlal Enterprises Limited				
Advances receivable.....	0.15 (0.14)	— (—)	— (—)	0.15 (0.14)

Notes:

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

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

	₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(h) Assets taken on operating lease: (Leave and Licence)		
(i) Future lease rentals in respect of Premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year.....	97.20	97.20
Amount due later than one year and not later than five years.....	231.50	328.70
Amount due later than five years.....	—	—
(ii) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is ₹.97.20 lakhs (Previous year ₹.93.08 lakhs)		
(i) Earnings Per Share:		
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under :		
(Loss) after taxes (₹ in lakhs) attributable to Equity Shareholders	(10.06)	(277.04)
Weighted average number of Equity Shares outstanding during the year (Nos)	64,328,941	64,328,941
Basic/Diluted Earnings per share (₹).....	(0.02)	(0.43)
Nominal value per share (₹).....	5.00	5.00
(j) Components of Deferred Tax Asset/ (Liability) are as under:		
Difference in Tax and Book Written Down Value of fixed assets	(73.19)	(41.89)
Unabsorbed carry forward Business Loss	745.33	1,071.29
Disallowance U/s.43B of Income-tax Act, 1961	—	0.04
Provision for Doubtful Debts	122.27	122.27
Provision for Doubtful Advances.....	82.02	115.24
VRS Expenses not written off.....	—	207.84
Leave Encashment provision	7.05	9.92
Provision for Gratuity	—	14.65
Deferred Tax Asset (Net)*	<u>883.48</u>	<u>1,499.36</u>

* The Net Deferred Tax Asset as at March 31, 2012 has not been accounted in view of the requirements of certainty/ virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

(k) Quantities and Sales value in respect of each class of goods dealt with by the Company:

Class of goods	Unit	Quantity*	Sales value ₹ in lakhs	Year ended 31st March, 2011	
				Quantity*	Sales value ₹ in lakhs
Cloth	Mtrs.	797051**	639.60	978866**	701.03
Made-ups.....	Sets	5520	43.01	5860	27.56
			<u>682.61</u>		<u>728.59</u>

* Sales include goods given as free samples.

** Actual sale of Cloth includes fabrics converted into Made-ups.

Class of goods	Unit	Quantity	Value ₹ in lakhs	Quantity	Value ₹ in lakhs
Goods traded in:					
Purchases:					
Cloth	Metres	820397	657.72	874321	627.00
Opening stocks:					
Cloth	Metres	94280	92.52	198825	157.13
Closing stocks:					
Cloth	Metres	117626	101.42	94280	92.52

	₹ in lakhs	Year ended 31st March, 2011	
		₹ in lakhs	
(l) Value of Imports on CIF basis in respect of:			
Capital Goods.....	—		6.98
(m) Expenditure in foreign currency (on accrual basis) on account of:			
(i) Travelling.....	63.85		45.51
(ii) Miscellaneous Expenses.....	1.55		—
Total.....	<u>65.40</u>		<u>45.51</u>

	₹ in lakhs	% to total Consumption	₹ in lakhs	% to total Consumption
(n) Value of stores and spare parts consumed:				
Imported	—	—	—	—
Indigenous (Packing materials).....	2.44	100.00	6.14	100.00
Total.....	<u>2.44</u>	<u>100.00</u>	<u>6.14</u>	<u>100.00</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

	₹ in lakhs	Year ended 31st March, 2011	
		₹ in lakhs	
(o) Consumption of Stores and Spares during the year:			
Stores and Spares (Packing materials)	2.44		6.14
(p) (i) Amount remitted during the financial year in foreign currency on account of dividends:			
The particulars of dividends paid to non-resident shareholders as under:			
		01.4.2010 to 31.3.2011	01.04.2009 to 31.3.2010
Year to which dividend relates			
Number of non-resident Shareholders		3	3
Number of Equity Shares held by them on which Dividend was due		25000087	25000087
Amount remitted in foreign currency on account of dividends – ₹ in lakhs		187.50	187.50
(p) (ii) Disclosure required by Clause 32 of the Listing Agreement (to the extent applicable)			
		(₹ in lakhs)	
Name		Outstanding as on 31.03.2012	Maximum amount outstanding
Stan Plaza Limited:		1,164.29	1,164.29
Previous year		468.22	468.22
Mafatlal Enterprises Limited	0.15	0.15	0.15
Previous year		0.14	0.14
Standard Salt Works Limited	953.48	953.48	992.17
Previous year		979.52	979.52
Loans and Advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or			
no interest or interest below the rate prescribed in Section 372A of Companies Act, 1956 – Nil (Previous year Nil)			
(q) The Company owns a piece of freehold land at Sewree, Mumbai admeasuring 5413.92 sq.mtrs., which was part of the land on which the Company operated a cotton textile mill in earlier years. Under the Development Plan of the Brihanmumbai Municipal Corporation (BMC), the said piece of land was under reservation as a recreation ground (RG) under the Development Control Regulations for Greater Mumbai, 1991 (DCR). Under the provisions of Maharashtra Regional and Town Planning Act, 1966, in lieu of the aforesaid reservation, the Company, at its discretion would be entitled to either the market value of the land or to Transferable Development Rights (TDR) benefits among other benefits.			
As per the Notification No. TPB.432001/2174/CR-227/01/JD-11 dated 14th June, 2006, issued by the Government of Maharashtra, it was clarified that in case of land belonging to cotton textile mills, the development of the mill land would be governed by DCR Rule 58(10). As per the said Rule, development of land, such as the aforesaid, need to be done in the following manner:			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

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

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

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

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

During the year, the Company entered into a Memorandum of Understanding (MOU) dated 26th March, 2012 with Stan Plaza Limited (SPL), a wholly owned subsidiary, whereby the Company agreed to transfer the 16825 Sq.ft. of TDR relating to 27% of the plot area, as aforesaid, to SPL for a consideration of ₹ 403.80 lakhs as per Valuation done by expert Valuers. As per the terms of the MOU, the Company, within three months of the date of the MOU, is required to obtain the Development Rights Certificate (DRC), the title document for the TDR, from the authorities and endorse the same in the name of SPL, failing which the MOU will stand cancelled.

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

- (r) The Company has an investment in a wholly owned subsidiary, namely, Standard Salt Works Limited (SSWL) aggregating to ₹ **60.78 lakhs** (*Previous year ₹ 60.78 lakhs*). The Company has given unsecured loans aggregating to ₹ 953.48 lakhs as at the year-end to SSWL. Out of which loan of ₹ 782.50 lakhs (*Previous year ₹ 782.50 lakhs*) is interest bearing and loan of ₹ **170.98 lakhs** (*Previous Year ₹ 197.02 lakhs*) is interest free. As per the latest available balance sheet of SSWL, as at 31st March, 2012, its net worth has been eroded. However, in view of the long-term strategic nature of the investment and the future growth prospects of the subsidiary, no provision for diminution in the value of the investment and for the unsecured loans is considered necessary at this stage.
- (s) The Company had received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended 31st March, 2007 relating to its chemical products, audited by a specified cost auditor. However, since the operations at the Chemical Plant have been closed, the Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.
- (t) The Company had entered into a Lease Agreement dated 1st April, 1967 with Maharashtra Industrial Development Corporation (MIDC) for a term of 100 years, calculated from 1st August, 1965, in respect of land admeasuring 92.25 acres located at Plot No.4, in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluke Thane, District Thane.

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

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

The Company will receive:

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

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

(u) Employees Retirement Benefits:

- (i) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" as per actuarial valuation on 31st March, 2012 regarding the Employees Retirement Benefits Plan for gratuity are as follows:

Particulars	₹ in lakhs	Previous year ₹ in lakhs
Projected benefit obligation at the beginning of the year	148.60	148.90
Current Service cost	3.15	3.24
Interest cost	11.89	11.17
Actuarial Loss/(Gain)	29.06	(4.03)
Benefits paid	(106.18)	(10.68)
Projected benefit obligation, end of the year	86.52	148.60
Defined Benefit obligation liability as at the balance sheet date is wholly funded by the Company.		
Change in Plan Assets		
Fair Value of Assets at the beginning of the year	145.88	103.36
Expected Return on Assets	11.67	8.27
Actuarial (Loss)/Gain	(4.11)	40.33
Benefits Paid	(106.18)	(10.68)
Contributions	39.56	4.60
Fair Value of Plan Assets at the end of the year	86.82	145.88
Gratuity Cost for the year		
Current Service Cost	3.15	3.24
Interest Cost	11.89	11.17
Expected Return on Assets	(11.67)	(8.27)
Net Actuarial Loss/(Gain)	33.17	(44.36)
Net Periodic Gratuity Cost	36.54	(38.22)

- (ii) Assumptions:

	Current year	Previous year
Discount Rate	8.00%	7.50%
Rate of Increase in compensation levels of covered employees	4.00%	4.00%
Rate of Return on Plan Assets Current	8.60%	8.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25:

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

- (v) "Other Current Liabilities" (Note 7) include Rs.14.28 lakhs and Rs. 38.70 lakhs relating to the refund of income-tax for Assessment Year 2005-06 and 2009-10 respectively received by the Company. However, the Company has preferred appeals against the same which are pending with the Income-tax Authorities. Hence, the appropriate accounting treatment for the aforesaid will be given in the accounts on disposal of the said appeals.
- (w) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year in-line with the Revised Schedule VI.

SIGNATURES TO NOTES 1 TO 25

In terms of our report attached

P. R. MAFATLAL
Chairman

V. C. VAIDYA

For Deloitte Haskins & Sells
Chartered Accountants

D. H. PAREKH
Executive Director

M. L. APTE

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

F. M. PARDIWALLA

K. J. PARDIWALLA

} *Directors*

Mumbai, Dated: 24th April, 2012

Mumbai, Dated: 24th April, 2012

STANDARD INDUSTRIES LTD.

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

Sr. No.	Particular	Standard Salt Works Ltd.	Stan Plaza Limited	Mafatlal Enterprises Limited
a.	Capital	14.26	5.00	5.00
b.	Reserves	(1,051.38)	(1.72)	(1.71)
c.	Total Assets	593.87	1,672.46	3.53
d.	Total Liabilities	1,630.99	1,669.17	0.24
e.	Details of Investments (except investment in subsidiaries)	0.54	259.22	—
f.	Turnover	207.05	—	—
g.	(Loss)/Profit before Taxation	(600.07)	(0.31)	(0.11)
h.	Provision for Taxation	0.01	1.15	—
i.	(Loss)/Profit after Taxation	(600.06)	0.84	(0.11)
j.	Proposed Dividend	—	—	—

AUDITORS' REPORT

TO
THE BOARD OF DIRECTORS OF
STANDARD INDUSTRIES LIMITED.

1. We have audited the attached Consolidated Balance Sheet of Standard Industries Limited Group as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Standard Industries Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1675.99 lakhs as at 31st March, 2012, total revenue of ₹ NIL and Net cash flows amounting to ₹ 2.27 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Standard Industries Limited's management in accordance with the requirements of the Accounting Standard (AS) 21 on "Consolidated Financial Statements" as notified under the companies (Accounting Standard) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Standard Industries Limited Group as at 31st March, 2012;
 - b. in the case of the Consolidated statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

A. B. JANI
Partner

Membership No. 46488

Place : Mumbai,
Dated : 24th April, 2012

STANDARD INDUSTRIES LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	2	3216.45	3216.45
(b) Reserves and surplus	3	9981.03	11556.35
		13197.48	14772.80
(2) NON-CURRENT LIABILITIES			
(a) Long-term Borrowings	4	1153.20	465.00
(b) Other long-term liabilities.....	5	19.45	—
(c) Long-term provisions	6	3.97	5.67
		1176.62	470.67
(3) CURRENT LIABILITIES			
(a) Trade payables.....	7	123.52	163.52
(b) Other current liabilities.....	8	1642.69	338.00
(c) Short-term provisions.....	9	1233.99	1289.54
		3000.20	1791.06
		17374.30	17034.53
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	10	2519.60	1667.56
(ii) Intangible assets	10	70.66	—
(iii) Capital work-in-progress.....	10	1105.92	211.78
(b) Goodwill on consolidation		50.77	50.77
(c) Non-current investments.....	11	372.32	334.34
(d) Long-term loans and advances.....	12	1025.10	1013.76
(e) Other non-current assets.....	13	105.23	105.23
		5249.60	3383.44
(2) CURRENT ASSETS			
(a) Current investments.....	14	109.36	768.78
(b) Inventories	15	163.76	131.73
(c) Property under development.....	16	2209.68	2209.68
(d) Trade receivables	17	113.19	125.25
(e) Cash and Cash Equivalents	18	7578.11	9195.96
(f) Short-term loans and advances	19	1885.82	1140.36
(g) Other current asset	20	64.78	79.33
		12124.70	13651.09
		17374.30	17034.53

See accompanying notes forming part of the consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(I) INCOME			
(a) Revenue from operations.....	21	1049.83	1004.48
(b) Other income.....	22	1030.30	902.65
(c) Amount withdrawn from revaluation reserve		—	5.58
Total Revenue....		<u>2080.13</u>	<u>1912.71</u>
(II) EXPENSES			
(a) Purchase of Traded Goods.....		657.72	627.00
(b) Change in Inventories of Stock-in-trade.....	23	(32.03)	77.37
(c) Employee benefit expenses.....	24	256.94	184.97
(d) Depreciation and amortisation.....	10	664.11	476.75
(e) Operating and other expenses.....	25	1553.23	1249.00
(f) Finance Cost	26	21.61	—
Total Expenses....		<u>3121.58</u>	<u>2615.09</u>
(III) (LOSS) BEFORE TAXES (I - II)		(1041.45)	(702.38)
(IV) TAX EXPENSE			
(a) Current Tax		—	—
(b) Excess provision for taxes in respect of earlier years.....		26.87	19.05
(V) (LOSS) FOR THE YEAR [III - IV(A) + IV(B)]		<u>(1014.58)</u>	<u>(683.33)</u>
(VI) EARNINGS PER SHARE - BASIC AND DILUTED ₹		(1.58)	(1.06)
Nominal value per share ₹		5.00	5.00
[Refer Note 27(i)]			

See accompanying notes forming part of the consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

STANDARD INDUSTRIES LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(LOSS) BEFORE TAXES.....	(1041.45)	(702.38)
<u>Adjustments for:</u>		
Depreciation	664.11	471.17
Sundry Debit balances written off	—	37.57
Interest on long-term Borrowings.....	21.62	—
Loss on write off of Fixed Assets	7.70	3.34
Profit on Sale of Fixed Assets	(1.09)	—
Sundry Credit balances written back.....	(6.39)	(27.92)
Excess Provision for Doubtful Advances written back.....	(107.53)	—
Dividend on current/non-current Investments.....	(13.67)	(4.66)
Interest income on Fixed Deposits with Banks	(763.85)	(446.34)
Interest income on Inter Corporate Deposits	(64.29)	(37.60)
Gain on sale of current Investment.....	(65.10)	(377.58)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES..	(328.49)	(382.02)
Decrease/(Increase) in Trade and other receivables.....	279.06	(576.47)
(Increase)/Decrease in Inventories.....	(32.03)	77.37
Increase/(Decrease) in Trade and other payables	1205.55	(138.40)
	<u>1452.58</u>	<u>(637.50)</u>
	82.64	(1721.90)
Direct Taxes paid.....	(99.75)	(56.32)
NET CASH USED IN OPERATING ACTIVITIES (A).....	(17.11)	(1778.22)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets.....	(2453.51)	(1229.35)
Purchase of current/non-current Investments	(876.81)	(528.85)
Sale of current Investments	1563.35	5970.69
Sale of Fixed Assets.....	11.43	—
Dividend on current/non-current Investments.....	13.67	4.66
Interest income on Fixed Deposits with Banks.....	778.40	407.54
Interest income on Inter Corporate Deposits.....	64.29	37.60
Inter Corporate Deposit given.....	(830.00)	—
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES (B).....	(1729.18)	4662.29

CONSOLIDATED CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured Loan taken from body corporate.....	688.20	465.00
Dividend Paid on Equity Shares.....	(481.49)	(477.35)
Corporate Dividend Tax paid.....	(78.27)	(80.13)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C).....	128.44	(92.48)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT (A+B+C).....	(1617.85)	2791.59
CASH AND CASH EQUIVALENTS AS AT 01.04.11 (OPENING BALANCE).....	9195.96	6404.37
CASH AND CASH EQUIVALENTS AS AT 31.03.12 (CLOSING BALANCE).....	7578.11	9195.96

NOTES:

- Components of cash and cash equivalents include cash and bank balance (Refer Note 18 forming part of the Financial Statements).
- Cash and Cash equivalents include current balances in current account with Banks of the parent company aggregating to ₹ **30.39 lakhs** (Previous year ₹ 30.55 lakhs) which are restricted in use on account of unclaimed Dividends, etc.
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

See accompanying notes forming part of the Consolidated Financial Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1:

Significant Accounting Policies:

(a) Basis of preparation of financial statements:

Accounts of Standard Industries Limited (the Parent Company) and its wholly owned subsidiaries Standard Salt Works Limited (SSWL), Mafatlat Enterprises Limited (MEL) and Stan Plaza Limited (SPL) have been consolidated (hereinafter referred to as "Standard Industries Limited Group" (the Group) in accordance with generally accepted Accounting principles and in conformity with the Accounting Standard on "Consolidated Financial Statements" (AS-21) notified in the Companies (Accounting Standards) Rules, 2006.

(b) Use of Estimates:

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

(c) Fixed Assets:

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

Fixed Assets of the Parent Company viz. land, buildings, plant and machinery as on 31.12.1984 had been revalued on the basis of their current replacement price as on 31.12.1985 and related factors. Accordingly, they were stated at revalued cost. [Refer Note 27(k)].

(d) Depreciation:

(i) Depreciation is provided on revalued cost of assets on the basis of Residual life of assets as determined by the external valuers.

(ii) Depreciation is also calculated on historical cost of assets [Refer Note 27(d)].

(iii) Cost of leasehold land is amortised over the period of lease [Refer Note 27(k)].

(e) Investments:

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

(f) Inventories:

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

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

(g) Property Under Development:

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

(h) Doubtful Debts/Advances:

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

(i) Contingent Liabilities and Provision:

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts, if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(j) Revenue Recognition:

Revenue (income) is recognized when no significant uncertainty as to measurability or collectability exists. Sales includes sales value of goods and excludes other recoveries such as handling charges, transport, octroi, etc. and Value Added Tax.

(k) Employee Benefits:

Provision for gratuity is made in the accounts on the basis of actuarial valuation carried out at year-end in case of the Parent Company. In case of one of the subsidiary, SSWL, provision for gratuity is made in the accounts in accordance with the provisions of Payment of Gratuity Act, 1972.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Contribution as required under the statute/rules is made to the Group Provident Fund as also to Government Provident Fund.

Contribution is made to the Group Superannuation Fund in respect of Management Cadre Staff.

(l) Foreign Currency Transactions:

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

(m) Impairment of Assets:

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

(n) Borrowing Costs:

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

(o) Taxes on Income:

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

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

Note 2:

SHARE CAPITAL

Authorised:

	As at 31st March, 2012 ₹ in lakhs	<i>As at 31st March, 2011 ₹ in lakhs</i>
15,00,00,000 Equity Shares of ₹ 5/- each.....	7500.00	<i>7500.00</i>
	<u>7500.00</u>	<i><u>7500.00</u></i>

Issued, Subscribed and Paid-up:

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

Note:

Details of Equity Shares held in the Company by each shareholder holding more than 5% shares

Name of the Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Stanrose Mafatlal Investments & Finance Limited	1,23,58,758	19.21	1,13,83,756	17.70
Satin Limited	2,50,00,000	38.86	2,50,00,000	38.86

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	₹ in lakhs	₹ in lakhs
Note 3:		
RESERVES AND SURPLUS		
(a) Capital Reserve - Cash Subsidy		
As per last Balance Sheet.....	4.14	4.14
(b) Capital Redemption Reserve		
As per last Balance Sheet.....	12.00	12.00
(c) Securities Premium Account		
As per last Balance Sheet.....	2526.90	2526.90
(d) Revaluation Reserve:		
As per last Balance Sheet.....	13.56	200.07
Less: Adjustment on account of revalued assets transferred to Stock-in-trade [Refer Note 27(k)]	—	180.93
Withdrawn from the Reserve and credited to Profit and Loss Account.....	—	5.58
	—	186.51
Closing Balance	13.56	13.56
(e) General Reserve:		
As per last balance Sheet.....	1004.00	1004.00
(f) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year.....	7995.75	9239.82
Less: Loss for the year.....	1014.58	683.33
	6981.17	8556.49
Less: Proposed Dividend on Equity Shares	482.47	482.47
Corporate Tax on Dividend	78.27	78.27
	560.74	560.74
Closing Balance	6420.43	7995.75
Total....	<u>9981.03</u>	<u>11556.35</u>

Note 4:

LONG-TERM BORROWINGS

Loan from body corporate	1153.20	465.00
Total....	<u>1153.20</u>	<u>465.00</u>

Note:

- (i) Loan taken by Standard Salt Works Limited of ₹ 550.00 lakhs (Previous Year ₹ Nil) from body corporate - Surcot Trading Private Limited at the following terms:
 - Interest payable @ 9.75% p.a. (Floating rate)
 - Principal and accrued interest due after 5 years.
- (ii) Loan taken by Stan Plaza Limited of ₹ 10.00 lakhs (Previous Year ₹ Nil) from body corporate - Surcot Trading Private Limited at the following terms:
 - Interest payable @ 9.75% p.a. (Floating rate)
 - Principal and accrued interest due after 5 years.
- (iii) Loan taken by Stan Plaza Limietd of ₹ 593.20 lakhs (Previous Year ₹ 465.00 lakhs) from body corporate - Stanrose Mafatal Investment & Finance Limited. Proceeds of the borrowings are utilised for Investment in equity of Calypso Premises Private Limited and purchase of land which is of long-term nature. Repayments of the borrowings will be on disposal of the same.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012 ₹ in lakhs	<i>As at 31st March, 2011 ₹ in lakhs</i>
Note 5:		
OTHER LONG-TERM LIABILITIES		
Others:		
Interest accrued but not due on long-term borrowings	19.45	—
Total....	19.45	—
Note 6:		
LONG-TERM PROVISIONS		
Provision for employee benefits		
— For Compensated Absences	3.97	5.67
Total....	3.97	5.67
Note 7:		
TRADE PAYABLES		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 27(e)].....	—	—
(b) Total Outstanding dues of other than Micro Enterprises and Small Enterprises.....	123.52	163.52
Total....	123.52	163.52
Note 8:		
OTHER CURRENT LIABILITIES		
(a) Unpaid Dividends (not due for transfer to Investor Education and Protection Fund).....	30.34	29.36
(b) Other Payable:		
(i) Statutory Payables	198.39	194.80
(ii) Payable on Purchase of Fixed Assets.....	234.84	—
(iii) Advance from Customers [Including ₹ 2.20 lakhs (Previous year ₹ 2.20 lakhs) deposit received]	23.03	22.50
(iv) Trade Deposits received [Refer Note 27(k)]	1100.00	—
(v) Others [Refer Note 27(n)]	56.09	91.34
Total....	1642.69	338.00
Note 9:		
SHORT-TERM PROVISIONS		
(a) Provision for employee benefits		
(i) For Gratuity/ex-gratia/VRS.....	22.91	69.61
(ii) For Compensated Absences].....	18.84	26.43
(b) Others:		
(i) For Income Tax (Net of Advance Tax).....	47.84	49.10
(ii) Proposed Dividend on equity shares.....	482.47	482.47
(iii) Corporate Dividend Tax	78.27	78.27
(iv) For Disputed Rent	583.66	583.66
Total....	1233.99	1289.54

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10:

₹ in lakhs

Particulars	Gross Block			Accumulated Depreciation/ Amortisation				Net Block		
	As at 01/04/2011	Additions	Deduction	As at 31/03/2012	Upto 31/03/2011	For the Year	Deduction	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
(I) Tangible Assets:										
(a) Land.....	25.82	252.91	—	278.73	—	—	—	—	278.73	25.82
(b) Buildings.....	756.70	663.26	1.19	1418.77	167.40	19.32	0.39	186.33	1232.44	589.30
(c) Plant and Machinery.....	249.23	11.59	27.57	233.25	118.22	12.11	13.15	117.18	116.07	131.01
(d) Furniture and Fixtures.....	252.02	37.82	123.59	166.25	169.97	9.29	123.59	55.67	110.58	82.05
(e) Office Equipments.....	50.72	11.64	—	62.36	15.85	2.81	—	18.66	43.70	34.87
(f) Vehicles.....	524.82	—	7.26	517.56	173.06	49.20	4.42	217.84	299.72	351.76
(g) Salt Works- Reservoirs, Salt Pans.....	872.25	556.99	—	1429.24	419.50	571.38	—	990.88	438.36	452.75
Total....	2731.56	1534.21	159.61	4106.16	1064.00	664.11	141.55	1586.56	2519.60	1667.56
Previous year.....	4359.56	937.33	2565.33	2731.56	758.63	476.75	171.38	1064.00		
(II) Intangible Assets:										
Tenancy Rights.....	—	70.66	—	70.66	—	—	—	—	70.66	—
Total....	—	70.66	—	70.66	—	—	—	—	70.66	—
Previous year.....	—	—	—	—	—	—	—	—	—	—
(III) Capital Work-In- Progress:										
Assets under Construction.....									1105.92	211.78
Total....									3696.18	1879.34

Notes:

- Certain Fixed Assets of the Parent Company i.e. land, buildings, plant and machinery as on 31.12.1984 have been revalued by external valuers on the basis of their replacement prices as on 31.12.1985 and related factors. This had resulted in increases in the net value of the said assets by ₹ 5187.34 lakhs (Gross ₹ 10985.11 lakhs less accumulated depreciation ₹ 5797.77 lakhs), which had been transferred to Revaluation Reserve. During previous year, the Parent Company had transferred the leasehold land to property under development. Appropriate adjustments to the balance in Revaluation Reserve as a result of this transfer, had been made in the previous year [Refer Note 27 (k)].
- Buildings include ₹ 1147.83 lakhs (Previous Year ₹ 482.60 lakhs) being the original cost of ownership flats. The Parent Company holds 135 shares (previous year 125 shares) of the aggregate face value of ₹ 0.07 lakh, (Previous Year ₹ 0.06 lakh) in Co-operative Societies under the bye laws of Societies. The shares in respect of certain flats are yet to be received.
- Addition to the Salt Works made during the year include costs incurred for levelling, compacting, excavating, developing of Salt fields and roads, etc.

	As at 31st March, 2012	As at 31st March, 2011
₹ in lakhs	₹ in lakhs	₹ in lakhs

Note 11:

NON CURRENT INVESTMENTS

Other Investments (Non-trade)

(I) Investment in quoted equity instruments

(a) Nocil Limited		
13320 Equity Shares of face value of ₹ 10/- each ..	0.17	0.17
(b) Stanrose Mafatlat Investment & Fin.		
18184 (Previous year 15924) Equity Shares of face value of ₹ 10/- each	19.09	16.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
₹ in lakhs	₹ in lakhs	₹ in lakhs
(c) Finolex Industries Ltd. 20000 Equity Shares of face value of ₹ 10/- each ...	11.44	11.44
(d) HDFC Bank Limited 7500 Equity Shares of face value of ₹ 2/- each	35.55	-
(e) State Bank of India 2400 Equity Shares of ₹ 10/- each.....	38.16	38.16
	<u>104.41</u>	<u>66.43</u>
(II) Investment in unquoted equity instruments		
(a) Stanrose Mafatlal Lubechem Limited 200 Equity Shares of face value of ₹ 5/- each*.....	—	—
(b) Syngenta India Limited 2000 Equity Shares of face value of ₹ 10/- each	8.69	8.69
(c) Calypso Premises Private Limited 1447714 Equity Shares of face value of ₹ 10/- each..	259.22	259.22
	<u>267.91</u>	<u>267.91</u>
Total....	<u>372.32</u>	<u>334.34</u>

Note:

	Cost ₹ in lakhs	Market value ₹ in lakhs
Aggregate of quoted investments.....	104.41	115.57
Previous year....	66.43	98.97
Aggregate of unquoted investments	267.91	
Previous year.....	267.91	
Total....	<u>372.32</u>	
Previous year....	<u>334.34</u>	

* The cost of these shares as on 31.03.12/31.03.11 is ₹ 1

Note 12:

LONG-TERM LOANS AND ADVANCES

(unsecured)		
(a) Capital Advances (considered good).....	34.74	80.24
(b) Security Deposits (considered good).....	56.67	59.41
(c) Other Loans and Advances		
(i) Balance with Government authorities	132.31	185.83
(Excise, Service-tax, etc.) (considered good)		
(ii) Loan to body corporate (considered good)	681.23	675.27
(iii) Advances to Creditors		
— Considered good	120.15	13.01
— Considered doubtful.....	265.43	372.96
Less: Provision.....	265.43	372.96
	<u>—</u>	<u>—</u>
Total....	<u>1025.10</u>	<u>1013.76</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012 ₹ in lakhs	As at 31st March, 2011 ₹ in lakhs
Note 13:		
OTHER NON-CURRENT ASSETS		
(unsecured)		
(a) Fixed Deposits with banks - under lien (considered good).....	105.23	105.23
Total....	<u>105.23</u>	<u>105.23</u>
Note 14:		
CURRENT INVESTMENTS		
(unquoted-at cost)		
(I) Investments in Mutual Funds		
(a) Tata Fixed Maturity Plan Nil units (Previous year 5500000 units) of ₹ 10/- each	—	550.00
(b) HDFC Cash management Fund 1014223.048 units (Previous year 2164932.688) of ₹ 10/- each	101.74	217.17
(c) Templeton India Cash Management 70754.300 units (Previous year 10729.038) of ₹ 10/- each	7.08	1.07
(II) Investments in Government Securities		
(a) In National Savings Certificate.....	0.54	0.54
Total....	<u>109.36</u>	<u>768.78</u>
Note 15:		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Stock-in-trade (Including Traded goods)	133.09	108.21
(b) Stock-in-process	30.67	23.52
Total....	<u>163.76</u>	<u>131.73</u>
Note 16:		
PROPERTY UNDER DEVELOPMENT		
(at lower of cost and net realisable value)		
Opening Balance [Refer Note 27(k)]	2209.68	—
Add: Leasehold Land converted into Stock-in trade.....	—	2209.68
Closing Balance	<u>2209.68</u>	<u>2209.68</u>
Total....	<u>2209.68</u>	<u>2209.68</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
	₹ in lakhs	₹ in lakhs
Note 17:		
TRADE RECEIVABLES		
(Unsecured)		
(a) Trade receivable outstanding for a period exceeding six months from the date they were due for payment:		
— Considered good.....	56.83	43.79
— Considered doubtful.....	395.68	395.68
Less: Provision.....	395.68	395.68
	<u>—</u>	<u>—</u>
(b) Others (considered good).....	56.36	81.46
Total....	<u>113.19</u>	<u>125.25</u>

Note 18:		
CASH AND CASH EQUIVALENTS		
(a) Cash on hand.....	8.85	5.56
(b) Balance with Banks		
(i) in current accounts.....	128.41	92.32
(ii) in earmarked accounts (unpaid dividend, etc.).....	36.66	37.52
(iii) in deposits accounts.....	7404.19	9060.56
	<u>7569.26</u>	<u>9190.40</u>
Total....	<u>7578.11</u>	<u>9195.96</u>

Note 19:		
Short-Term Loans and Advances		
(unsecured)		
(a) Security deposits (considered good).....	0.26	0.26
(b) Prepaid expenses (considered good).....	17.67	14.77
(c) Loan to employees (considered good).....	2.44	0.78
(d) Inter Corporate Deposit (considered good).....	1300.00	470.00
(e) Advance Tax (Net of Provisions).....	376.43	325.31
(f) Other Short Term Advances		
(i) Advance to Creditors (considered good).....	86.22	109.22
(ii) Others (considered good).....	102.80	220.02
Total....	<u>1885.82</u>	<u>1140.36</u>

Note 20:		
OTHER CURRENT ASSETS		
Accruals		
(i) Interest accrued but not due (bank deposits etc.).....	64.23	78.78
(ii) Interest accrued and due on Government Securities.....	0.55	0.55
Total....	<u>64.78</u>	<u>79.33</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹ in lakhs	₹ in lakhs
Note 21:		
REVENUE FROM OPERATIONS		
(I) Sale of goods		
(a) Cloth	639.60	701.03
(b) Made-Ups	43.01	27.56
(c) Industrial Salt.....	205.92	96.31
(d) Gypsum Salt.....	0.37	1.05
	<u>888.90</u>	<u>825.95</u>
(II) Other Operating Income		
(a) Royalty received.....	13.89	15.40
(b) Sales Tax refund received.....	—	47.25
(c) Refund of regulatory liability charges.....	95.42	112.13
(d) Sale of Scrap.....	50.86	3.12
(e) Income from weigh bridge.....	0.76	0.63
	<u>160.93</u>	<u>178.53</u>
Total....	<u>1049.83</u>	<u>1004.48</u>

Note 22:

OTHER INCOME

(a) Interest Income		
On Fixed Deposits with Banks.....	763.85	446.34
On Inter-corporate deposit.....	64.29	37.60
On Sales-tax /Income-tax Refund.....	6.84	4.27
On Others (Security Deposits, etc.).....	1.40	3.98
	<u>836.38</u>	<u>492.19</u>
(b) Dividend on non-current (long-term) investments.....	2.26	1.66
(c) Dividend on current investments.....	11.41	3.00
(d) Gain on sale of current investments.....	65.10	377.58
(e) Other Non-operating Income		
(i) Sundry credit balances written back.....	6.39	27.92
(ii) Excess provision for Doubtful Advances written back.....	107.53	—
(iii) Profit on sale of Fixed Assets.....	1.09	—
(iv) Miscellaneous Income	0.14	0.30
	<u>193.92</u>	<u>410.46</u>
Total....	<u>1030.30</u>	<u>902.65</u>

Note 23:

CHANGE IN INVENTORIES OF STOCK-IN-TRADE

(a) Inventories at the end of the year		
Finished Goods.....	133.09	108.21
Process Stock	30.67	23.52
	<u>163.76</u>	<u>131.73</u>
(b) Inventories at the beginning of the year		
Finished Goods	108.21	187.04
Process Stock.....	23.52	22.06
	<u>131.73</u>	<u>209.10</u>
Net (Increase)/Decrease....	<u>(32.03)</u>	<u>77.37</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹ in lakhs	₹ in lakhs
Note 24:		
EMPLOYEE BENEFIT EXPENSES		
(a) Salaries	177.73	141.85
(b) Contribution to Provident and other Funds.....	58.47	22.41
(c) Staff Welfare.....	20.74	20.71
Total....	<u>256.94</u>	<u>184.97</u>

Note 25:

OPERATING AND OTHER EXPENSES

(a) Packing materials consumed.....	2.44	6.14
(b) Power and Fuel	87.15	88.61
(c) Labour charges	24.04	28.15
(d) Rent.....	124.12	116.91
(e) Charges for Corporate Office service and facilities.....	131.04	125.43
(f) Repairs:		
To Buildings	208.85	94.17
To Machinery	17.55	2.56
To Salt Works.....	30.43	18.63
To Others	11.54	26.03
	<u>268.37</u>	<u>141.39</u>
(g) Insurance	6.41	5.94
(h) Rates and Taxes	51.88	25.17
(i) Stationery, Printing, Advertisement, Postage and Telegrams etc.	94.04	62.62
(j) Donations.....	41.91	27.01
(k) Transport and Freight charges	12.84	4.55
(l) Legal and Professional fees.....	80.71	106.33
(m) Consulting fees.....	54.86	43.96
(n) Sundry Debit Balances written off	—	37.57
(o) Loss on write-off of fixed Assets.....	7.70	3.34
(p) Directors' Fees.....	14.76	9.64
(q) Travelling and Conveyance Expenses.....	227.22	152.87
(r) Security Charges	46.12	45.84
(s) Vehicle Expenses	54.19	47.51
(t) Temporary Manpower.....	30.61	29.70
(u) Royalty and Cess	7.14	6.03
(v) Salt Internal shifting expenses.....	27.20	4.40
(w) Salt Washing charges	1.09	2.07
(x) Survey fees	—	2.22
(y) Miscellaneous Expenses.....	157.39	125.60
Total....	<u>1553.23</u>	<u>1249.00</u>

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

Note 26:

FINANCE COST

Interest on borrowings	21.61	—
Total....	<u>21.61</u>	<u>—</u>

STANDARD INDUSTRIES LTD.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27:

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

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(a) Estimated amount of contract remaining to be executed on Capital Account and not provided for	1.67	795.15
(b) Contingent Liabilities in respect of:		
(1) Claims against the Standard Industries Limited Group not acknowledged as debts		
(a) ESIC Claims in respect of Contractor's workers.....	19.22	68.11
(b) Claims in respect of Labour matters.....	12.74	51.50
(c) Disputed Rent.....	1364.17	1364.17
(d) Amount claimed by Taluka Development Officer towards Local Cess and Education Cess		
The Company has contested this claim and has paid an amount of ₹ 5,00,000/- under protest.	41.17	41.17
The above claims are pending before various authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested.		
(2) Excise Duty and Customs duty: Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested.....	553.77	424.88
(3) Guarantees given by Bank on behalf of Company.....	105.23	105.23
(4) The Government of Maharashtra vide Notification Nos. ELD-2000/CR-1022(ii) NRG-1 dated 1st April, 2000 and Nos.ELD-2001/CR-1069/ NRG-1 dated 4th April, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. During the previous year, the Honble High Court vide Order dated 23.02.2010 quashed and set aside the aforesaid Notification. Accordingly, the Company has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard.....	1375.74	1375.74
(5) Disputed demand of Income-tax:		
These represent demand raised by Income-tax Department on various matters for which disputes are pending before various Appellate Authorities. The Standard Industries Limited Group is confident that all these cases can be successfully contested. The amounts paid under protest there against have been included in "Advance Payment of Tax"	6.31	6.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27:

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

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(c) Payment to Auditors:*		
(a) As Auditors	9.60	9.35
(b) For Audit of Accounts for tax purposes and Tax Audit	3.15	3.45
(c) In any other manner - representation before authority, certification work etc.	38.20	33.80
(d) For expenses	0.13	0.11
(e) For service tax	5.27	4.82
*(includes payments made to an affiliated firm/other auditors)		
	56.35	51.53
(d) Depreciation:		
(i) Depreciation in respect of assets of the Parent Company is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act,1956.		
(ii) The difference of ₹ Nil lakhs(Previous year ₹ 5.58 lakhs) between depreciation provided for the year on revalued cost of assets of the Parent Company and that calculated on original cost/written down value of assets (revalued) for the year has been withdrawn from Revaluation Reserve Account and credited to Profit and Loss Account.		
(e) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Note 7.		
(f) Segment information:		
Information about primary business segments.		
The groups primary business segments are as follows:		
(i) Real Estate		
(ii) Trading		
(iii) Manufacturing		
(iv) Others		

	(₹ in lakhs)				
	Real Estate	Trading	Manufacturing	Others	Total
Revenue					
From External Customers.....	160.17	682.61	207.05	—	1049.83
	176.29	730.20	97.99	—	1004.48
Result					
Segment Result	72.06	5.89	(542.85)	(0.42)	(465.32)
	43.71	6.38	(381.14)	(0.17)	(331.22)
Unallocated Corporate Expenses					1606.43
					1273.81
Operating Loss					(2071.75)
					(1605.03)
Unallocated Income.....					1030.30
					902.65
Excess provision for Tax.....					26.87
					19.05
Loss after Tax					(1014.58)
					(683.33)

STANDARD INDUSTRIES LTD.

Note 27:

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

(₹ in lakhs)

	Real Estate	Trading	Manufacturing	Others	Total
Other information					
Segment Assets	14574.90 <i>13986.24</i>	278.78 <i>285.38</i>	593.33 <i>583.02</i>	1012.97 <i>681.24</i>	16459.98 <i>15535.88</i>
Unallocated Corporate Assets					914.32 <i>1498.65</i>
Total Assets					17374.30 <i>17034.53</i>
Segment Liabilities.....	1621.58 <i>346.38</i>	14.25 <i>11.28</i>	592.97 <i>22.43</i>	603.33 <i>465.11</i>	2832.13 <i>845.20</i>
Unallocated Corporate Liabilities					1344.69 <i>1314.91</i>
Total Liabilities.....					4176.82 <i>2261.73</i>
Capital Expenditure	1570.66 <i>436.24</i>	— —	559.28 <i>793.11</i>	323.57 —	2453.51 <i>1229.35</i>
Depreciation.....	88.12 <i>132.58</i>	0.73 <i>0.71</i>	575.26 <i>337.88</i>	— —	664.11 <i>471.17</i>

Notes:

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

(g) Related Party Disclosure:

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

Name of the related party	Relationship
Shanudeep Private Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla (till 1.8.2011)	Key Management Personnel
Mr. D. H. Parekh (w.e.f. 2.8.2011)	Key Management Personnel

(b) Details of Transactions with related parties:

(₹ in lakhs)

Nature of Transactions	Enterprises over which Key Management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Leave and Licence fees:			
Shanudeep Private Limited.....	105.99 <i>(101.00)</i>	— <i>(—)</i>	105.99 <i>(101.00)</i>
Corporate Office Service and Facilities:			
Shanudeep Private Limited.....	131.04 <i>(125.43)</i>	— <i>(—)</i>	131.04 <i>(125.43)</i>

Note 27:

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

(₹ in lakhs)

Nature of Transactions	Enterprises over which Key Management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Recovery of Common Expenses			
Shanudeep Pvt. Ltd.....	11.25 (12.51)	— (—)	11.25 (12.51)
Managerial Remuneration:			
Mr. K. J. Pardiwalla.....	— (—)	138.40 (56.53)	138.40 (56.53)
Mr. D. H. Parekh	— (—)	23.85 (—)	23.85 (—)
Directors Sitting Fees:			
Mr. Pradeep R. Mafatlal.....	— (—)	1.92 (1.08)	1.92 (1.08)
Mrs. Divya P. Mafatlal	— (—)	1.00 (0.80)	1.00 (0.80)

Notes:

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

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(h) Assets taken on operating lease (Leave and Licence)		
(a) Future lease rentals in respect of Premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year	97.20	97.20
Amount due later than one year and not later than five years.....	231.50	328.70
Amount due later than five years	—	—
(b) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is ₹ 97.20 lakhs (Previous year ₹ 93.08 lakhs)		
(i) Earnings per Share		
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:-		
(Loss) after taxes (₹ in lakhs).....	(1014.58)	(683.33)
Weighted average number of equity shares outstanding during the year (Nos)	64,328,941	64,328,941
Basic/Diluted Earnings per share (₹)	(1.58)	(1.06)
Nominal value per share (₹).....	5.00	5.00

STANDARD INDUSTRIES LTD.

Note 27:

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

	Year ended 31st March, 2012 ₹ in lakhs	Year ended 31st March, 2011 ₹ in lakhs
(j) Components of Deferred Tax Asset/(Liability) are as under:		
Difference in Tax and Book Writte-down Value of fixed assets	(130.26)	(109.40)
Unabsorbed carry forward Depreciation Allowance/Business Loss.....	927.89	1270.41
Disallowance U/s.43B of Income-tax Act, 1961	1.60	1.41
Provision for Doubtful Debts/Advances.....	204.29	237.51
VRS Expenses not written off.....	—	207.84
Provision for Leave Encashment	7.05	9.92
Provision for Gratuity.....	(2.82)	11.55
Deferred Tax Asset (Net)*	1007.75	1629.24

* The Net Deferred Tax Asset as at March 31, 2012 has not been accounted in view of the requirement of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".

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

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

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

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

The Parent Company will receive:

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

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

- (l) Employees Retirement Benefits:

- (a) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" as per actuarial valuation on 31st March, 2012 regarding the Employees Retirement Benefits Plan for gratuity are as follows:

Particulars	₹ in lakhs	Previous Year ₹ in lakhs
Projected benefit obligation at the beginning of the year	148.60	148.90
Current Service cost.....	3.15	3.24
Interest cost	11.89	11.17
Actuarial (Gain)/Loss	29.06	(4.03)
Benefits paid	(106.18)	(10.68)
Projected benefit obligation, end of the year.....	86.52	148.60

Note 27:

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

Particulars	₹ in lakhs	Previous Year ₹ in lakhs
Defined Benefit obligation liability as at the balance sheet date is wholly funded by the Company.		
Change in Plan Assets		
Fair Value of Assets at the beginning of the year.....	145.86	103.36
Expected Return on Assets.....	11.67	8.27
Actuarial Gain/(Loss)	(4.11)	40.33
Benefits Paid	(106.18)	(10.68)
Contributions.....	39.56	4.60
Fair Value of Plan Assets at the end of the year.....	86.82	145.88
Gratuity Cost for the year		
Current Service Cost	3.15	3.24
Interest Cost.....	11.89	11.17
Expected Return on Assets.....	(11.67)	(8.27)
Net Actuarial (Gain)/Loss	33.17	(44.36)
Net Periodic Gratuity Cost.....	36.54	(38.22)

(b) Assumptions

	Current year	Previous year
Discount Rate	8.00%	7.50%
Rate of Increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current	8.60%	8.00%

- (m) The Parent Company has received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended 31st March 2007 relating to its chemical products, audited by a specified cost auditor. However, since the operations at the Chemical Plant of the Parent Company have been closed, the Parent Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.
- (n) "Other Current Liabilities" (Refer Note 8) include ₹ 14.28 lakhs and ₹ 38.70 lakhs relating to the refund of income-tax for Assessment Year 2005-06 and 2009-10 respectively received by the parent Company. However, the Parent Company has preferred appeals against the same which are pending with the Income-tax Authorities. Hence, the appropriate accounting treatment for the aforesaid will be given in the accounts on disposal of the said appeals.
- (o) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year in-line with the Revised Schedule VI.

SIGNATURES TO NOTES 1 TO 27

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 24th April, 2012

P. R. MAFATLAL
Chairman

D. H. PAREKH
Executive Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 24th April, 2012

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STANDARD INDUSTRIES LTD.

Regd. Office: Plot No. 4, TTC Industrial Area, Thane Belapur Road, PO Ghansoli, Navi Mumbai. Thane - 400 701.

Date: 24th April, 2012

Dear Shareholder(s),

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

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

As per RBI's notification, with effect from 1st October, 2009, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account and coverage of more bank branches.

NECS operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Pursuant to implementation of CBS, your bank account number may have undergone a change, which is required to be communicated by you to your Depository Participant (in case of shareholders holding shares in dematerialized form) or to the Company's Share Transfer Agent (in case of shareholders holding shares in physical form, in which case, the communication may be made in the format printed overleaf).

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

(a) For shareholders holding shares in Dematerialized Form

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

(b) For shareholders holding shares in Physical Form

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

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

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the DP/Registrar & Share Transfer Agent) and are communicated on or before 30th July, 2012, to facilitate receipt of dividend.

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

Assuring you of our best services at all times.

Yours faithfully,
For Standard Industries Ltd.
TANAZ B. PANTHAKI
Company Secretary

P.T.O.

FORM

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

FORM FOR NECS MANDATE/BANK MANDATE

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

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

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

OR

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

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

Folio No. _____

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

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

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

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

Note :

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

STANDARD INDUSTRIES LTD.

Regd. Office:

Plot No. 4, TTC Industrial Area,
Thane Belapur Road,
P.O. Ghansoli, Navi Mumbai.
Thane - 400 701.

GREEN INITIATIVE FORM

To,

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

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

Name: E-mail id:

Address:

Folio No. No. of Equity Shares held

Signature of Shareholder

STANDARD INDUSTRIES LTD.

ATTENDANCE SLIP

STANDARD INDUSTRIES LIMITED

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Ghansoli, Navi Mumbai, Thane - 400 701.

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

I hereby record my presence at the One Hundred and Fifteenth Annual General Meeting of the Company at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614, to be held on Tuesday, the 14th August, 2012.

SIGNATURE OF THE
SHAREHOLDER OR PROXY

NOTES:

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



FORM OF PROXY

STANDARD INDUSTRIES LIMITED

Registered Office:

Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Ghansoli, Navi Mumbai, Thane - 400 701.

Folio No. :

DP ID :

Client ID :

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

I/We _____

_____ of _____

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

_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the One Hundred and Fifteenth Annual General Meeting of the Company to be held on Tuesday, the 14th August, 2012 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012.

Signed by the said _____

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

Affix a
30 paise
Revenue
Stamp

