



**STANDARD INDUSTRIES LTD.**

120th ANNUAL REPORT 2016-2017

# STANDARD INDUSTRIES LTD.

## CONTENTS

|  | Pages   |
|--|---------|
| Board of Directors, etc. ....                                | 2       |
| Management Team .....  | 3       |
| Financial Statistics .....                                   | 4-5     |
| Notice .....   | 6-20    |
| Directors' Report.....                                       | 21-39   |
| Corporate Governance .....                                   | 40-49   |
| Management Discussion and Analysis.....                      | 50-51   |
| Auditors' Report .....                                       | 52-55   |
| Balance Sheet.....   | 56      |
| Statement of Profit & Loss .....                             | 57      |
| Cash Flow Statement.....                                     | 58-59   |
| Notes 1 to 27.....   | 60-82   |
| Salient features of financial statement of subsidiaries..... | 83      |
| Consolidated Accounts.....                                   | 84-109  |
| Payment of Dividend through NECS.....                        | 111-112 |
| Green Initiative Form.....                                   | 113     |

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 (*Expired on 7-1-17*)

SHRI M. L. APTE

SHRI F. M. PARDIWALLA (*Resigned on 16-11-16*)

SHRI K. J. PARDIWALLA

SMT. DIVYA P. MAFATLAL

SHRI SHOBHAN DIWANJI

SHRI D. H. PAREKH

*Executive Director*

## BANKERS

HDFC BANK LIMITED

ICICI BANK LIMITED

IDBI BANK

UCO BANK

KOTAK MAHINDRA BANK LTD.

## AUDITORS

MESSRS. DELOITTE HASKINS & SELLS LLP,  
*Chartered Accountants*

## ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

## REGISTERED OFFICE

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

CIN : L17110MH1892PLC000089

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

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

## CORPORATE OFFICE

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

## CITY OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

### Corporate Office:

Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad,  
Telangana - 500 032.

Tel. Nos. : +91 40 6716 2222

Fax No. : +91 40 2342 0814

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

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

### Mumbai Front Office:

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

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

**MANAGEMENT TEAM**

SHRI D. H. PAREKH

*Executive Director*

SHRI D. M. NADKARNI

*Vice President (Projects)*

SMT. TANAZ B. PANTHAKI

*Vice President (Legal) & Company Secretary*

SHRI J. R. SHAH

*Chief Financial Officer*

# STANDARD INDUSTRIES LTD.

## FINANCIAL STATISTICS

|   | 1-4-2006<br>to<br>30-9-2007<br>(18 mths.) | 1-10-2007<br>to<br>31-3-2009<br>(18 mths.) | 1-4-2009<br>to<br>31-3-2010 | 1-4-2010<br>to<br>31-3-2011 |
|---|---|--|-----------------------------|-----------------------------|
| <b>COMPANY OWNED:</b>   |   |  |                             |                             |
| 1. Fixed Assets (Net) .....   | 1984                                      | 1870                                       | 3546                        | 1371                        |
| 2. Investments.....   | 634                                       | 1443                                       | 6238                        | 914                         |
| 3. Net Current Assets .....   | 6542                                      | 12629                                      | 6463                        | 12938                       |
| 4. Miscellaneous Expenditure .....  | 2296                                      | —  | —                           | —                           |
| Total Assets (Net).....   | 11456                                     | 15942                                      | 16247                       | 15223                       |
| <b>COMPANY OWED:</b>  |   |  |                             |                             |
| 1. Loan funds.....  | —   | —  | —                           | —                           |
| 2. Company's Net Worth:   |   |  |                             |                             |
| Equity Share Capital.....   | 3216                                      | 3216                                       | 3216                        | 3216                        |
| Reserves and Surplus .....  | 8240                                      | 12726                                      | 13031                       | 12007                       |
| Total Capital Employed .....  | 11456                                     | 15942                                      | 16247                       | 15223                       |
| Debt/Equity Ratio# .....  | 0.00:1.00†                                | 0.00:1.00†                                 | 0.00:1.00†                  | 0.00:1.00†                  |
| Income .....  | 12226                                     | 24683                                      | 3782                        | 1834                        |
| Salaries and Wages.....   | 759                                       | 334  | 242                         | 169                         |
| Operation and Other Expenses etc. ....  | 9550                                      | 15680                                      | 2375                        | 1828                        |
| Interest .....  | 168                                       | 8  | —                           | —                           |
| Profit before Depreciation and Taxes.....   | 1749                                      | 8661                                       | 1165                        | (163)                       |
| Depreciation.....   | 1489                                      | 132  | 106                         | 133                         |
| Profit before extra ordinary item and taxes .....   | 260                                       | 8529                                       | 1059                        | (296)                       |
| Taxes .....   | (67)                                      | (3158)                                     | (193)                       | —                           |
| Profit after Taxes .....  | 193                                       | 5371                                       | 866                         | (296)                       |
| Refund of Income-tax .....  | —   | —  | 7                           | 19                          |
| Balance brought forward from Previous Year .....  | 5325                                      | 4943                                       | 9022                        | 9287                        |
| Depreciation on account of transitional provision of<br>Schedule II to the Companies Act, 2013..... | —   | —  | —                           | —                           |
| Amount for Appropriation.....   | 5518*                                     | 10314*                                     | 9895*                       | 9010*                       |
| Dividends .....   | 483                                       | 643  | 482                         | 482                         |
| Tax on Dividends .....  | 82  | 109  | 80                          | 78                          |
| Balance retained in business.....   | 4953                                      | 9562                                       | 9333                        | 8450                        |
| Earnings per Equity Share ₹ .....   | 0.30**                                    | 8.35**                                     | 1.36**                      | (0.43)**                    |
| Dividend paid per Equity Share ₹.....   | 0.75**                                    | 1.00**                                     | 0.75**                      | 0.75**                      |

# On Long term borrowings.

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

† Without Revaluation Reserve.

\*\* On equity Shares of ₹ 5/-.

\*\*\* The Board of Directors of the Company has proposed a dividend of ₹ 0.75 per equity share for the year ended March 31, 2017 (Previous Year ₹ 0.75 per equity share) which is subject to the shareholders' approval and declaration at the ensuing Annual General Meeting.

In terms of the revision to the Accounting Standard AS 4 on 'Contingencies and Events occurring after the Balance Sheet date', dividend is required to be recognised in the year when declared, and hence this proposed dividend has not been recognised in the Balance Sheet as at March 31, 2017.

(₹ in lakhs)

| 1-4-2011<br>to<br>31-3-2012 | 1-4-2012<br>to<br>31-3-2013 | 1-4-2013<br>to<br>31-3-2014 | 1-4-2014<br>to<br>31-3-2015 | 1-4-2015<br>to<br>31-3-2016 | 1-4-2016<br>to<br>31-3-2017 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2887                        | 2878                        | 2790                        | 2603                        | 2089                        | <b>2021</b>                 |
| 293                         | 983                         | 574                         | 164                         | 94                          | <b>5496</b>                 |
| 11472                       | 9713                        | 8502                        | 8096                        | 9459                        | <b>1520</b>                 |
| —                           | —                           | —                           | —                           | —                           | —                           |
| <b>14652</b>                | <b>13574</b>                | <b>11866</b>                | <b>10863</b>                | <b>11642</b>                | <b>9037</b>                 |
| —                           | —                           | —                           | —                           | 2500                        | <b>1875</b>                 |
| 3216                        | 3216                        | 3216                        | 3216                        | 3216                        | <b>3216</b>                 |
| 11436                       | 10358                       | 8650                        | 7647                        | 5926                        | <b>3946</b>                 |
| <b>14652</b>                | <b>13574</b>                | <b>11866</b>                | <b>10863</b>                | <b>11642</b>                | <b>9037</b>                 |
| 0.00:1.00†                  | 0.00:1.00†                  | 0.00:1.00†                  | 0.00:1.00†                  | 0.27:1.00†                  | <b>0.26:1.00†</b>           |
| 2334                        | 1762                        | 1432                        | 1581                        | 1063                        | <b>1196</b>                 |
| 239                         | 195                         | 176                         | 180                         | 188                         | <b>183</b>                  |
| 2042                        | 2083                        | 2305                        | 1652                        | 1802                        | <b>2525</b>                 |
| —                           | —                           | —                           | —                           | 94                          | <b>400</b>                  |
| 53                          | (516)                       | (1049)                      | (251)                       | (1021)                      | <b>(1912)</b>               |
| 89                          | 95                          | 95                          | 149                         | 119                         | <b>83</b>                   |
| (36)                        | (611)                       | (1144)                      | (400)                       | (1140)                      | <b>(1995)</b>               |
| —                           | —                           | —                           | —                           | —                           | —                           |
| (36)                        | (611)                       | (1144)                      | (400)                       | (1140)                      | <b>(1995)</b>               |
| 26                          | 97                          | —                           | —                           | —                           | <b>14</b>                   |
| <b>8449</b>                 | <b>7879</b>                 | <b>6801</b>                 | <b>5093</b>                 | <b>4090</b>                 | <b>2370</b>                 |
| —                           | —                           | —                           | 22                          | —                           | —                           |
| <b>8439*</b>                | <b>7365*</b>                | <b>5657*</b>                | <b>4671*</b>                | <b>2950*</b>                | <b>389*</b>                 |
| 482                         | 482                         | 482                         | 482                         | 482                         | <b>see note below***</b>    |
| 78                          | 82                          | 82                          | 98                          | 98                          | <b>see note below***</b>    |
| 7879                        | 6801                        | 5093                        | 4091                        | 2370                        | <b>389</b>                  |
| (0.02)**                    | (0.80)**                    | (1.78)**                    | (0.62)**                    | (1.77)**                    | <b>(3.08)**</b>             |
| 0.75**                      | 0.75**                      | 0.75**                      | 0.75**                      | 0.75**                      | <b>see note below***</b>    |

# STANDARD INDUSTRIES LTD.

## NOTICE

Notice is hereby given that the **ONE HUNDRED & TWENTIETH ANNUAL GENERAL MEETING** of the Members of STANDARD INDUSTRIES LIMITED will be held at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai-400 614, on Thursday, the 31st August, 2017, at 3.00 P.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
  - b. Consolidated Audited Balance Sheet as at 31st March, 2017, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the financial year ended on that date together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Pradeep R. Mafatlal (DIN 00015361), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications, re-enactment thereof for the time being in force) and rules made thereunder (as amended from time to time) M/s. SHR & Co., Chartered Accountants (ICAI Firm Registration No. 120491W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 125th Annual General Meeting at a remuneration to be decided by the Board of Directors.”

### SPECIAL BUSINESS

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

#### AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, a sum not exceeding 1% of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for each year, for a period of five years, commencing from 1st October, 2017.”

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

#### AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee of the Board constituted by the Board) for making investment, in Initial Public Offer (IPOs), acquisition/purchase of shares, securities, bonds, Debentures, Mutual Funds, money market instruments and other financial instrument of any Body Corporate or other person/entity or for giving loans, guarantees or providing securities to any Body Corporate or other person/entity, from time to time upto ₹ 300 crores, which is in excess of limits specified under Section 186 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions including delegation of authority and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise with regard to the proposed investment and further to do all such acts, deeds, matters and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection herewith.”

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

**AS AN ORDINARY RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, re-enactment thereof for the time being in force) and in supersession of the Resolution passed by the Members at the 109th Annual General Meeting of the Company held on 21st February, 2006, the Board of Directors of the Company be and is hereby authorized to contribute, in any financial year, to bonafide charitable and other funds, any amounts the aggregate of which, may exceed 5% of its average net profits for the three immediately preceding financial years, subject to a limit of ₹ 1 crore.”

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

**AS AN ORDINARY RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K. J. Pardiwalla (DIN 00015670), a Non-Executive Director of the Company who was appointed as Independent Director by the Board with effect

from 10th February 2017 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 consecutive years commencing from 10th February 2017 AND THAT he shall not be liable to retire by rotation.

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

**AS A SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) and read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do approve the re-appointment of Shri D. H. Parekh (DIN 00015734), as Executive Director of the Company for a period of 3 years commencing from 2nd August, 2017, upon the terms of re-appointment including remuneration, commission and perquisites as set out in the Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 with a liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) to alter and vary the said terms of re-appointment and remuneration in such manner as may be agreed to between the Board and Shri D. H. Parekh and within the limits as prescribed in Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof.”

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



# STANDARD INDUSTRIES LTD.

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

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

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

## NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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

A member holding more than ten percent of the total Share Capital of the Company may

appoint a single person as proxy who shall not act as proxy for any other Member. The holder of proxy shall prove his identity at the time of attending the meeting.

Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

Attendance slip, proxy form and route map of the venue of the meeting are annexed to this Report.

Members/Proxies/Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.

A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Meeting is annexed to this report.

(b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 17th August, 2017, to Thursday, the 31st August, 2017, (both days inclusive) for the purpose of Annual General Meeting & payment of dividend for the Financial Year ended 31st March, 2017. Those Members whose names appear in the Register of Members of the Company as on 16th August, 2017, will be eligible for dividend.

(c) **National Electronic Clearing Service (NECS):**

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

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

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

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant/Company's Registrar & Share Transfer Agent) and are communicated before 16th August, 2017, to facilitate receipt of dividend. Please note that if your new Core Bank Account Number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

**(d) Voting through electronic means**

The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for Annual General Meeting.

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed

to be considered at the 120th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy.

2. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at AGM.
4. The remote e-voting period commences on Sunday, the 27th August, 2017 (9.00 a.m.) and ends on Wednesday, the 30th August, 2017 (5.00 p.m). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th August, 2017, may cast their vote by remote e-voting.

The Remote e-voting module shall be disabled by Karvy at 5.00 p.m. on 30th August 2017. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

5. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an e-mail from Karvy [for members whose email IDs are registered with the Company/Depository Participant(s)]:
    - (i) Launch an internet browser and open <https://evoting.karvy.com>

# STANDARD INDUSTRIES LTD.

- (ii) Enter the login credentials (i.e. User ID and password) and captcha. The Event No., Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - (iii) After entering the above details Click on - Login.
  - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
  - (v) On successful login, the system will prompt you to select the E-Voting Event.
  - (vi) Select the EVENT of Standard Industries Limited and click on - Submit.
  - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
  - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
  - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - (x) Once you have voted on the Resolution, you will not be allowed to modify your vote.
  - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at kaushikjhaverics1@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name\_ EVENT NO.'
- B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM
- |                                      |                |                 |
|--------------------------------------|----------------|-----------------|
| <b>EVENT</b> (E-voting Event Number) | <b>USER ID</b> | <b>PASSWORD</b> |
|                                      |                |                 |
- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website on <https://evoting.karvy.com> or call on toll free no.: 1-800-3454-001.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of 24th August, 2017.
- V. Members who have acquired shares after the dispatch of the Annual Report and/or before the cut-off date, i.e. 24th August, 2017, may obtain the User ID and Password for exercising their right to vote by electronic means, in the following manner:

- (a) If the mobile number of the member is registered against Folio No. / DP ID and Client ID, the member may send SMS: MYEPWD <space> Event number +Folio No. or DP ID Client ID to 9212993399

|                       |                                    |
|-----------------------|------------------------------------|
| Example for NSDL:     | MYEPWD <SPACE><br>IN12345612345678 |
| Example for CDSL:     | MYEPWD <SPACE><br>1402345612345678 |
| Example for Physical: | MYEPWD <SPACE><br>XXX1234567       |

- (b) If e-mail or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - (c) Member may call Karvy's toll free number 1-800-3454-001
  - (d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off-date only shall be entitled to avail the facility of

remote e-voting as well as voting at the AGM through polling paper.

- VII. Mr. Kaushik M. Jhaveri, Proprietor, M/s. Kaushik M. Jhaveri & Co., Practicing Company Secretary, (Membership No. FCS 4254) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- IX. The Scrutinizer, after the conclusion of voting at the AGM, shall first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.standardindustries.co](http://www.standardindustries.co) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
- (e) The Dividend as recommended by the Directors when declared at the Annual General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Monday, the 25th September, 2017, 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.

# STANDARD INDUSTRIES LTD.

(f) The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

The details of the unpaid/unclaimed amount lying with the Company as on 27th June, 2016 (Date of last AGM) and also the details of the shares liable to transfer in the name of the IEPF Authority are available on the website of the Company [http://www.standardindustries.co/pdf/IEPF\\_transfer\\_of\\_shares.pdf](http://www.standardindustries.co/pdf/IEPF_transfer_of_shares.pdf) and on the Ministry of Corporate Affairs website.

In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement.

The Company has already transferred on 14th October, 2016, the unclaimed dividends for the period October, 2007 to March, 2009, (Final Dividend) to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 31st March, 2010 onwards are to be transferred to the IEPF on the dates given in the table below:

| Financial Year             | Date of Declaration of Dividend | Date for transfer to IEPF |
|----------------------------|---------------------------------|---------------------------|
| April, 2009 To March, 2010 | 09.08.2010                      | 08.09.2017                |
| April, 2010 To March, 2011 | 04.08.2011                      | 04.09.2018                |
| April, 2011 To March, 2012 | 14.08.2012                      | 14.09.2019                |
| April, 2012 To March, 2013 | 14.08.2013                      | 15.09.2020                |
| April, 2013 To March, 2014 | 14.08.2014                      | 15.09.2021                |
| April, 2014 To March, 2015 | 29.09.2015                      | 29.10.2022                |
| April, 2015 To March, 2016 | 27.06.2016                      | 25.07.2023                |

Members who have so far not encashed the Dividend Warrants for the financial years ended March, 2010, onwards, are advised

to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited, or the Company's Registered Office at Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai-400 710.

(g) Members holding shares in physical form are advised to avail of the nomination facility by filling the prescribed Form No. SH-13 which is available with M/s. Karvy Computershare Private Limited, 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.

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 transferor(s) and 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.      | BSE Ltd.,<br>Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 023.   | Equity Shares      |
| 2.      | National Stock Exchange of India Ltd.,<br>Exchange Plaza, 5th Floor,<br>Plot No.C/1, G Block,<br>Bandra Kurla Complex,<br>Bandra (East),<br>Mumbai – 400 051. | -do -              |

The Company has paid Annual Listing fees to the above Stock Exchanges upto 31st March, 2018.

- (i) As part of the Green Initiative in Corporate Governance, and as permitted by Section 101 and Section 136 of the Companies Act, 2013 and rules made thereunder (as amended from time to time), listed companies are allowed to send notice and financial statements through electronic mode.
- (j) 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 M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500 032.

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

- (k) 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 Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the following information is given hereunder:

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

He is the Chairman of Standard Industries Limited, Stanrose Mafatlal Investments and Finance Ltd., Mafatlal Enterprises Limited, Shanudeep Private Limited, Umiya Real Estate Private Limited, Umiya Balaji Real Estate Private Limited and Mafatlal AG, Herisau, Switzerland. He is also a Director of Sheiladeep Investments Pvt. Ltd, Vinadeep Investments Pvt. Ltd, HPA Sports Private Limited and Gagalbhai Trading (Hong Kong) Ltd. He is a Member of the Stakeholders' Relationship Committee, Share Transfer Committee and Investment Committee of Standard Industries Limited. He is also a Member of Stakeholders' Relationship Committee of Stanrose Mafatlal Investments and Finance Ltd.

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

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

By Order of the Board

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

Registered Office:

Plot No.4, TTC Industrial Area,  
Thane Belapur Road,  
P.O. Millenium Business Park,  
Navi Mumbai – 400 710.  
CIN: L17110MH1892PLC000089

Dated: 16.05.2017

## ANNEXURE TO THE NOTICE

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Items Nos. 5 to 9 contained in the accompanying Notice dated 16th May 2017.

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

The Company sought shareholders' approval at the Annual General Meeting held on 14th August, 2013, under the erstwhile Companies Act, 1956. Subsequent to the enactment of new Companies Act, 2013, the Company now seeks the approval of the Shareholders for payment of commission to the Non-Executive Directors considering their continuous and valuable contribution in directing the strategy of the Company, upto 1% of the Company's net profits as calculated under Section 198 of the Companies Act, 2013, from 1st October, 2017, for a period of 5 years, to be distributed amongst the Directors as may be decided by the Board from time to time.

Section 197 of the Companies Act, 2013, provides for payment of remuneration to the Directors who are neither Managing Directors nor Whole-time Directors (i.e. Non-Executive Directors) which shall not exceed 1% of the net profits of the Company. The Board of Directors of the Company, subject to the approval of members of the Company, may propose to remunerate the Non-Executive Directors (i.e. Directors other than Managing Directors and the Whole-Time Directors) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to Non-Executive Directors, if paid, shall be in addition to the sitting fee payable to them for attending meetings of Board and Committees thereof.

Accordingly, a Resolution under Section 197 of the Act is being moved and the same is recommended for your adoption.

The Non-Executive Directors are deemed to be interested in the Resolution. None of the other Directors, Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolutions.

#### **Item No. 6**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of the Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of:

- i) Sixty per cent of the aggregate of the Paid-up Capital, free reserves and Securities premium account or
  - ii) Hundred per cent of its free reserves and Securities premium account whichever is more,
- if Special Resolution is passed by the shareholders of the Company.

This permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013, to give powers to the Board of Directors for making further investment, providing loans or give guarantee to the extent of ₹ 300 crores.

Accordingly the Board recommends the Special Resolution for the proposed investment in terms of Section 186 of the Companies Act, 2013, for the approval by the shareholders of the Company.

These investments are proposed to be made out of own/surplus funds/internal accruals and/or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution except as members.

#### **Item No. 7**

Under Section 181 of the Act, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the members is required for such contributions during a financial year exceeding five percent of its average net profits during the three immediately preceding financial years. The Members had, at the Annual General Meeting held on 21st February, 2006, passed a Resolution for making donations in excess of an amount of 5% percent of the Company's average net profits (determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956) during the three immediately preceding financial years but not exceeding ₹ 1 crore in a financial year.

The approval of the members is being sought, pursuant to Section 181 of the Companies Act, 2013 for authorizing the Board of Directors of the Company to make contributions to bonafide charitable and other funds, in a financial year, exceeding 5% percent of the Company's average net profits during the three immediately preceding financial years subject to a limit of ₹ 1 crore.

Accordingly, a Resolution under Section 181 of the Act is being moved and the same is recommended for your adoption.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in this Resolution.

**Item No. 8**

Shri K. J. Pardiwalla is a Non-Executive Independent Director of the Company.

Shri K. J. Pardiwalla was born on 24th July, 1937. He is a Chartered Accountant and has diverse experience in Financial Accounting, Taxation, Marketing and Management.

Shri K. J. Pardiwalla was appointed as Managing Director from March, 1996 to August, 2011 and a Director of the Company from August, 2011 onwards.

Shri K. J. Pardiwalla is a Director on the Board of many Companies, viz., Standard Industries Limited, Stanrose Mafatlal Investment & Finance Limited, Vinadeep Investments Pvt. Ltd., Stan Plaza Limited and Standard Salt Works Ltd. He is the Chairman of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee of Standard Industries Limited and Stanrose Mafatlal Investments and Finance Limited and also a Member of Share Transfer Committee, Independent Directors Committee and Investment Committee of Standard Industries Limited and a Member of Corporate Social Responsibility Committee of Stanrose Mafatlal Investments and Finance Limited.

Shri K. J. Pardiwalla does not hold any shares in the Company.

The Board of Directors has appointed Shri K. J. Pardiwalla as an Independent Director for three consecutive years on 10th February 2017. It is proposed to approve the appointment for a period of 3 years from 10th February 2017. A notice has been received from a member proposing Shri K. J. Pardiwalla as a candidate for the office of Independent Director of the Company.

The Company has also received a declaration from Shri K. J. Pardiwalla, Independent Director, that he meets with the criteria of Independence as prescribed, both under sub-section 6 of Section 149 of the Act and under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri K. J. Pardiwalla fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri K. J. Pardiwalla as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.

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

Except Shri K. J. Pardiwalla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**Item No. 9**

Shri D. H. Parekh was appointed as Executive Director of the Company, for a period of 3 years with effect from 2nd August, 2011 and re-appointed for a further period of 3 years from 2nd August, 2014, on the terms and conditions approved by the Shareholders at the Annual General Meeting held on 14th August, 2014.

Shri D. H. Parekh is a Director on the Board of Standard Industries Limited, Stan Plaza Limited, Standard Salt Works Ltd, Duville Estates Private Limited, Umiya Real Estate Private Limited and Umiya Balaji Real Estate Private Limited. He is a Member of Audit Committee, Stakeholders' Relationship Committee and Share Transfer Committee of Standard Industries Limited.



# STANDARD INDUSTRIES LTD.

The appointment of Shri D. H. Parekh as Executive Director and Key Managerial Personnel (KMP) and his remuneration has been approved by the Nomination & Remuneration Committee of the Company at their Meeting held on 16th May, 2017. The Board of Directors has also at their meeting held on 16th May, 2017, re-appointed Shri D. H. Parekh as Executive Director for a further period of 3 years from 2nd August, 2017. As Executive Director and KMP of the Company, Shri D. H. Parekh will be in-charge of the management and affairs of the Company, subject to the superintendence and control of the Board of Directors (hereinafter referred to as 'the Board'). The terms of re-appointment and remuneration payable to Shri D. H. Parekh are set out below.

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

- (1) Salary of ₹ 1,75,000/- per month inclusive of dearness and all other allowances with the authority to the Nomination & Remuneration Committee of the Board to grant such increments from time to time as it may decide in its absolute discretion upto a salary of ₹ 3,00,000/- per month.
- (2) Commission as may be decided by the Nomination & Remuneration Committee subject to the overall ceiling laid-down in Section 197 read with Schedule V of the Companies Act, 2013. Such commission will be determined by the Board and be payable after the financial statements for the said financial year have been approved by the Board and adopted by the Members.
- (3) Perquisites:  
Perquisites such as furnished accommodation or house rent allowance, provision of gas, electricity, water and furnishings in respect of such accommodation, medical reimbursement for self and family, club fees (excluding admission and life membership fees), leave benefits, leave travel concessions for self and family, personal accident insurance and such other perquisites and on such terms and conditions as the Nomination & Remuneration Committee may in its absolute discretion determine from time to time.

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for

private purposes shall be treated as perquisite to the Executive Director.

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

#### (4) Retirement Benefits:

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

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

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

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

#### I. General Information:

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

- 4) Financial performance based on given indicators:

|                             | 2016/2017  | 2015/2016  | 2014/2015  |
|-----------------------------|------------|------------|------------|
|                             | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| Turnover:                   |            |            |            |
| Gross                       | 735.19     | 629.99     | 689.91     |
| Net                         | 735.19     | 629.99     | 689.91     |
| Profit Before Tax           | (1994.98)  | (1140.41)  | (400.13)   |
| Profit After Tax            | (1980.72)  | (1140.41)  | (400.13)   |
| Earning Per Share           | (3.08)     | (1.77)     | (0.62)     |
| Networth                    | 7148.12    | 9128.84    | 10849.96   |
| Rate of dividend (Proposed) | 15%        | 15%        | 15%        |

- 5) Foreign investments or collaborations, if any:

There are no foreign investments or collaborations by the Company. However, 39.54% of the share capital of the Company is held by NRI/OCB and FIIs. There is no foreign collaboration.

## II. Information about the appointee:

- 1) Background details:

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

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

Shri D. H. Parekh is a Director on the Board of Standard Industries Limited, Stan Plaza Limited, Standard Salt Works Ltd, Duville Estates Private Limited, Umiya Real Estate Private Limited and Umiya Balaji Real Estate Private Limited. He is a Member of Audit Committee, Stakeholders' Relationship Committee and Share Transfer Committee of Standard Industries Limited.

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

- 2) Past remuneration:

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

| Financial year | Remuneration (₹) |
|----------------|------------------|
| 2014-15        | 37,40,436        |
| 2015-16        | 42,61,574        |
| 2016-17        | 35,67,519        |

- 3) Recognition or awards:

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

- 4) Job profile and his suitability:

As an Executive Director & KMP of the Company, Shri D. H. Parekh will be responsible for the affairs of the Company under the supervision and control of the Board of Directors of the Company. His profile will include assisting Board in taking business and policy decisions. By qualification Shri D. H. Parekh is a Chartered Accountant and has diverse experience in Financial Accounting, Taxation and Management. He is associated with the Company for about 41 years holding various responsible positions in the Company. Having regard to his qualification and wide experience, it will be in the interest of the Company to appoint him as Executive Director & KMP of the Company. The Executive Director and KMP shall devote his whole time and attention to the business of the Company and shall use his best endeavour to promote its interest and welfare.

- 5) Remuneration proposed:

Details of the remuneration proposed has been provided in the aforementioned paragraphs under Item no 9.

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

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

- 7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any;

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

## III. Other information

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

# STANDARD INDUSTRIES LTD.

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

The Company is now, inter alia, engaged in the Real Estate activities. The Real Estate market has been amongst the sectors worst hit by the economic downturn. The demonetization on 8th November, 2016, has further worsened the existing liquidity crunch. The residential space continues to face headwinds in the form of muted sales and subdued consumer demand. Furthermore, the sector has been challenged by frequent delays in project completion and a complex approval process. This has resulted in developers curtailing new project launches and focusing on executing existing projects to deliver within the committed timeframe.

The Company had leasehold land of an area of 92 acres and 10 gunthas (approx. 92.25 acres) at Thane-Belapur Road, Navi Mumbai, for a term of 100 years computed from 1.8.1965. The Company has transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), Singapore in 2008 an area of 30 acres located within the larger property of approx. 92.25 acres, for the remaining tenure of the lease with Maharashtra Industrial Development Corporation (MIDC), leaving balance plot of 62.25 acres.

The Company has entered into a Memorandum of Understanding dated 1st September, 2016, with FEAT Properties Private Limited (K. Raheja group) to transfer and assign all its leasehold rights in 62.25 acres of the Company's leasehold property at Plot No. 4 situated at Trans Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane, for a consideration of Rs.355,00,00,000/- (Rupees Three Hundred Fiftyfive Crores only) receivable in instalments. The transfer, assignment and consideration is subject to various conditions precedent getting satisfied including approval of MIDC and other terms and conditions specified in the aforesaid MOU.

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

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

#### IV. Disclosures:

As Shri D. H. Parekh is re-appointed Executive Director with effect from 2nd August, 2017, his remuneration will be reflected in Corporate Governance for the next year.

The remuneration paid to Shri D. H. Parekh, Executive Director, during the Financial Year 2016-17, is as under:

(₹ in lakhs)

|                   | Salary | Perquisites | Contributions | Total |
|-------------------|--------|-------------|---------------|-------|
| Shri D. H. Parekh | 23.64  | 4.62        | 7.42*         | 35.68 |

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board

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

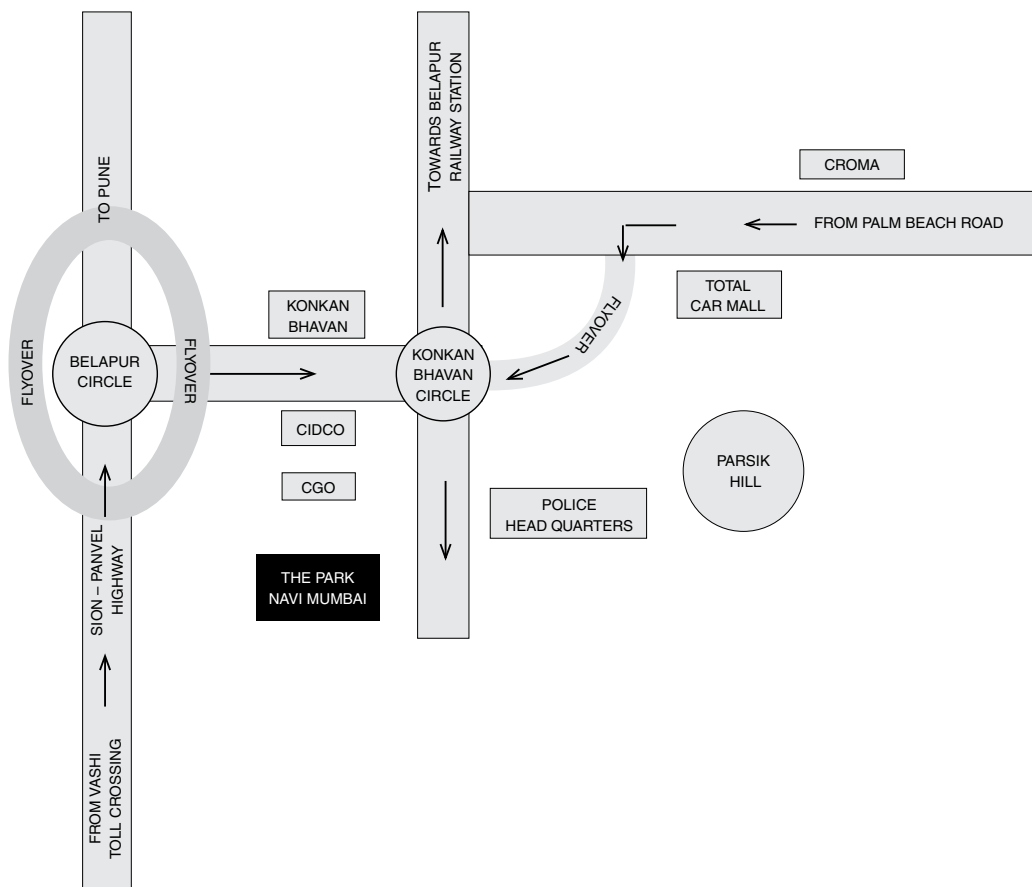
Registered Office:

Plot No. 4, TTC Industrial Area,  
Thane Belapur Road,  
P.O. Millenium Business Park,  
Navi Mumbai – 400 710.  
CIN: L17110MH1892PLC000089

Dated: 16.05.2017

## ROUTE MAP TO THE VENUE

### Reaching The Park Navi Mumbai



**DIRECTORS' REPORT**

To

The Members,

Standard Industries Limited.

Your Directors are pleased to present the 120th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2017.

**FINANCIAL RESULTS**

|   | <b>Current Year<br/>01.04.2016 to<br/>31.03.2017<br/>(₹ in lakhs)</b> | <i>Previous Year<br/>01.04.2015 to<br/>31.03.2016<br/>(₹ in lakhs)</i> |
|---|---|--|
| Gross Operating Profit before depreciation and tax.....     | <b>(1911.52)</b>  | <i>(1021.70)</i>   |
| Less: Depreciation.....                                     | <b>83.46</b>  | <i>118.71</i>  |
| Profit before Taxes.....                                    | <b>(1994.98)</b>  | <i>(1140.41)</i>   |
| Tax adjustment in respect of earlier years (Net) .....      | <b>14.26</b>  | <i>—</i>   |
| Profit after Taxes .....                                    | <b>(1980.72)</b>  | <i>(1140.41)</i>   |
| Balance brought forward from previous year.....             | <b>2369.49</b>  | <i>4090.61</i>   |
| Surplus in Statement of Profit & Loss .....                 | <b>388.77</b>   | <i>2950.20</i>   |
| Amount available for Appropriation .....                    |   | <i>2950.20</i>   |
| <b>APPROPRIATIONS:</b>                                      |   |  |
| Proposed Dividend on Equity Shares .....                    |   | <i>482.47</i>  |
| Corporate Tax on Dividend .....                             |   | <i>98.24</i>   |
| Balance of Profit & Loss A/c. carried to Balance Sheet..... | <b>388.77</b>   | <i>2369.49</i>   |

Your Directors propose the following dividend for the Financial Year 1st April, 2016 to 31st March, 2017, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 31st August, 2017, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 16th August, 2017.

|   | <b>Current Year<br/>01.04.2016 to<br/>31.03.2017<br/>₹</b> | <i>Previous Year<br/>01.04.2015 to<br/>31.03.2016<br/>₹</i> |
|---|--|---|
| ₹ 0.75 per Equity Share of ₹ 5/- each on 6,43,28,941 Equity Shares<br>[Previous year ₹ 0.75 per Equity Share of ₹ 5/- each on 6,43,28,941<br>Equity Shares] | <b>4,82,46,705.75</b>                                      | <i>4,82,46,705.75</i>                                       |
|   | <b>4,82,46,705.75</b>                                      | <i>4,82,46,705.75</i>                                       |

In terms of the revision to the Accounting Standard AS 4 on 'Contingencies and Events occurring after the Balance Sheet date' dividend is required to be recognized in the year when declared and hence this proposed dividend has not been recognized in the Balance Sheet as at March 31, 2017. Hitherto, proposed dividend was recognized as a provision as at the Balance Sheet date. This change has resulted in short term provisions being lower by ₹ 580.71 lakhs and Reserves being higher by ₹ 580.71 lakhs as at the year end.

# STANDARD INDUSTRIES LTD.

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

### REAL ESTATE DIVISION

The Company had leasehold land of an area of 92 acres and 10 gunthas (approx. 92.25 acres) at Thane-Belapur Road, Navi Mumbai, for a term of 100 years computed from 1.8.1965. The Company has transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), Singapore in 2008, an area of 30 acres located within the larger property of approx. 92.25 acres, for the remaining tenure of the lease with MIDC, leaving balance plot of 62.25 acres.

The Company has entered into a Memorandum of Understanding dated 1st September, 2016, with FEAT Properties Private Limited (K. Raheja group) to transfer and assign all its leasehold rights in 62.25 acres of the Company's leasehold property at Plot No. 4 situated at Trans Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane, for a consideration of ₹ 355,00,00,000/- (Rupees Three Hundred Fiftyfive Crores only) receivable in instalments. The transfer, assignment and consideration is subject to various conditions precedent getting satisfied including approval of MIDC and other terms and conditions specified in the aforesaid MOU.

The Real Estate market has been amongst the sectors worst hit by the economic downturn. The demonetization on 8th November, 2016, has further worsened the existing liquidity crunch. The residential space continues to face headwinds in the form of muted sales and subdued consumer demand. Furthermore, the sector has been challenged by frequent delays in project completion and a complex approval process. This has resulted in developers curtailing new project launches and focusing on executing existing projects to deliver within the committed timeframe.

### TRADING DIVISION

For the Financial Year under review, i.e. April, 2016 to March, 2017, the Company has achieved a Textile Trading turnover of ₹ 717.19 lakhs in comparison with ₹ 612.55 lakhs for the previous Financial Year.

During the Financial Year, in spite of unfavourable circumstances, such as, demonetization, sluggish market conditions, higher cotton prices, etc. the Company has achieved a higher turnover of more than 17% compared to the previous year.

The Company's regular products such as PV Suiting, Cotton Shirting, etc. have continued to be well accepted in the market. In addition, the Company has added new products such as Ladies' dress material and is planning to add accessories such as handkerchiefs, socks, etc.

## CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2016-17, are prepared in compliance with applicable provisions of the Companies Act, 2013, read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company and its subsidiaries, as approved by the respective Board of Directors.

## NATURE OF BUSINESS OF THE COMPANY

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

## SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2017, was ₹ 32,16,44,705/- comprising 6,43,28,941 Shares of ₹ 5/- each.

During the year under review, the Company has not issued any other class of securities including shares with differential voting rights nor sweat Equity Shares, nor has it granted any stock options.

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

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND 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 under review.

## PUBLIC DEPOSITS

There are no outstanding deposits remaining unpaid as on 31st March, 2017. The Company has not accepted any deposits under Chapter V of the Companies Act, 2013 and rules made thereunder.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors of your Company hereby state and confirm that :

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

1. Standard Salt Works Ltd
2. Mafatlal Enterprises Limited

The Company has framed a "Policy for determining Material Subsidiaries" for identifying material subsidiaries. The web link where policy for determining 'Material' subsidiaries is disclosed is <http://standardindustries.co/pdf/PolicyfordeterminingMaterialSubsidiaries.pdf>

#### **DONATIONS**

During the Financial Year, the Company has contributed a sum of ₹7,54,000/- to various Charitable and Educational Institutions.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Directors, with deep regret would like to inform you about the sad demise of Shri Russi Jal Taraporevala, Independent Director of the Company, on 7th January, 2017. He had wide experience in Industry, Finance and Corporate Affairs. He was associated with the Company as a Director for 43 years during which period the Company has immensely benefitted through his guidance.

The Chairman and the Board of Directors record their profound sorrow and grief on the sad demise of Shri Russi Jal Taraporevala.

Shri F. M. Pardiwalla tendered his resignation as Director of the Company with effect from 16th November, 2016. The Board has placed on record their sense of appreciation of the valuable services rendered by Shri F. M. Pardiwalla during his association with the Company.

The Board of Directors at their Meeting held on 10th February, 2017, had appointed Shri K. J. Pardiwalla, Non-Executive Director as Independent Director of the Company in terms of Section 149 and other applicable provisions of the Companies Act, 2013. Your Directors are seeking appointment of Shri K. J. Pardiwalla as Independent Director for 3 consecutive years with effect from 10th February, 2017, at the ensuing Annual General Meeting. Details of the proposal for appointment of Shri K. J. Pardiwalla, are mentioned in the Explanatory Statement attached to the Notice of the 120th Annual General Meeting.

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

The appointment of Shri D. H. Parekh as an Executive Director which was for a period of 3 years from 2nd August, 2014 will expire on 1st August, 2017. Your Directors are seeking re-appointment of Shri D. H. Parekh as Executive Director with effect from 2nd August, 2017 for a period of 3 years subject to approval of the shareholders. The terms and conditions of his re-appointment are mentioned in the Explanatory Statement under Section 102(1) of the Companies Act, 2013.

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

#### **Declarations by Independent Directors and re-appointment**

Shri K. J. Pardiwalla was appointed as Independent Director to hold office for a term of three consecutive years from 10th February, 2017.

Declarations have been received from all the Independent Directors viz, Shri M. L. Apte, Shri Shobhan Diwanji & Shri K. J. Pardiwalla, affirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

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



# STANDARD INDUSTRIES LTD.

## **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

## **SIGNIFICANT AND MATERIAL ORDERS**

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

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

M/s. S.U. Kapasi & Co., Chartered Accountants are the existing Internal Auditors of the Company for the Financial Year 2016-17. They have expressed their unwillingness to continue as Internal Auditors of the Company.

Accordingly, on the recommendation of the Audit Committee, the Board at its Meeting held today, have appointed M/s. Arunkumar K. Shah & Co., Chartered Accountants, Mumbai, as the Internal Auditors of the Company for the Financial Year commencing from 1st April, 2017.

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

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

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. Internal Audit System is engaged in evaluation of internal control systems. Internal Audit findings and recommendations are reviewed by the Management and Audit Committee of the Board of Directors.

## **AUDIT OBSERVATIONS AND EXPLANATION OR COMMENTS BY THE BOARD**

There were no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing

Company Secretary in their respective reports. The observations made by the Auditors read with the relevant notes on accounts is self-explanatory.

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

A separate statement containing the salient features of the financial statement of its subsidiaries in the prescribed form (AOC – 1) is annexed to the financial statements of the Company.

## **EXTRACT OF THE ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in Form MGT-9 in **Annexure A** of this Report.

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

Pursuant to the provisions of the Companies Act, 2013, the Board, based on recommendations of the Nomination and Remuneration Committee, has carried out an annual performance evaluation of its own performance and that of its statutory committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and that of the individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

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

During the year four Board Meetings were duly convened and held, the details of which are given in the Corporate Governance Report. The gap between the meetings was within the period prescribed under Section 173 of the Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**AUDIT COMMITTEE**

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

|   |   |          |
|---|---|----------|
| Shri K. J. Pardiwalla<br>(appointed Chairman<br>w.e.f. 10.2.2017) | — | Chairman |
| Shri R. J. Taraporevala<br>(expired on 7.1.2017)                  | — | Member   |
| Shri M. L. Apte   | — | Member   |
| Shri F. M. Pardiwalla<br>(resigned on 16.11.2016)                 | — | Member   |
| Shri D. H. Parekh<br>(w.e.f. 10.2.2017)                           | — | Member   |

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

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

There have been no cases of frauds reported to the Audit Committee/Board during the year under review.

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

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

There have been no complaints received during the year.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013, relating to CSR are not applicable to the Company.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises Shri K. J. Pardiwalla, Chairman, Shri M. L. Apte,

Shri Shobhan Diwanji and Smt. Divya P. Mafatlal Members. Shri R. J. Taraporevala, erstwhile Member expired on 7th January, 2017. Shri F. M. Pardiwalla, erstwhile Member, resigned on 16th November, 2016. The Committee has laid down the Company's Policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other related matters.

Pursuant to Section 134(3)(e) and Section 178 of the Companies Act, 2013, the Company's Policy on Directors appointment & remuneration is attached as **Annexure B** to this Report.

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, are given in the Notes to the Financial Statements.

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

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, are disclosed in Form No. AOC-2 (Please refer **Annexure C** to the Directors' Report). The Company has framed a Policy on Related Party Transactions. The web link where Policy on dealing with Related Party transactions is disclosed is <http://standardindustries.co/pdf/PolicyonRelatedPartyTransactions.pdf>

**DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are annexed as **Annexure D** to this Report.

**PARTICULARS OF EMPLOYEES**

The Company has no employees in respect of whom the information as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, is required to be given.

**SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel)

# STANDARD INDUSTRIES LTD.

Rules 2014, the Company has appointed M/s. Nishant Jawa & Associates, to undertake the secretarial audit of the Company. Report of the Secretarial Auditor is annexed herewith as **Annexure E**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## RISK MANAGEMENT POLICY

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

## CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report.

## INSURANCE

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

## AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, are the existing Statutory Auditors of the Company. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory for the Company to rotate the current Statutory Auditors on completion of the maximum term permitted under the said Section.

Accordingly, on the recommendation of the Audit Committee, the Board at its Meeting held today have proposed the appointment of M/s. SHR & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for a term of 5 years, i.e. from the conclusion of the 120th Annual General Meeting until the conclusion of the 125th Annual General Meeting.

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

For and on behalf of the Board

PRADEEP R. MAFATLAL  
*Chairman*

*Mumbai*

*Dated : 16th May, 2017.*

**ANNEXURE A TO THE DIRECTORS' REPORT**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31st March, 2017**

**[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

|      |   |   |
|------|---|---|
| i.   | <b>CIN</b>  | L17110MH1892PLC000089   |
| ii.  | <b>Registration Date</b>  | 25th January, 1892  |
| iii. | <b>Name of the Company</b>  | STANDARD INDUSTRIES LIMITED   |
| iv.  | <b>Category/Sub-Category of the Company</b>                                       | Public Company Limited by Shares  |
| v.   | <b>Address of the Registered Office and contact details</b>                       | Plot no. 4, TTC Industrial Area,<br>Thane Belapur Road,<br>PO Millenium Business Park,<br>Navi Mumbai – 400 710<br>Tel. : 91 22 6516 2883, 6516 2890<br>Fax : 91 22 2778 0175<br>E-Mail : standardgrievances@rediffmail.com                                       |
| vi.  | <b>Whether listed Company</b>   | Yes   |
| vii. | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any.</b> | M/s. Karvy Computershare Private Limited,<br>Karvy Selenium Tower B, Plot 31-32,<br>Gachibowli, Financial District,<br>Nanakramguda, Hyderabad,<br>Telangana – 500 032.<br>Tel. No. +91 40 6716 2222<br>Fax No. +91 40 2342 0814<br>Email : einward.ris@karvy.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| <b>Sr. No.</b> | <b>Name and Description of main products/services</b> | <b>NIC Code of the product/service</b> | <b>% to total turnover of the Company</b> |
|----------------|---|--|---|
| 1.             | Polyster cotton grey fabrics                          | 46411                                  | 100%                                      |
| 2.             | Real estate activities                                | 68100                                  | —   |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| <b>Sr. No.</b> | <b>Name and Address of the Company</b>  | <b>CIN/GLN</b>        | <b>Holding/ Subsidiary/ Associate</b> | <b>% of shares held</b> | <b>Applicable section</b> |
|----------------|---|-----------------------|---------------------------------------|-------------------------|---------------------------|
| 1.             | Standard Salt Works Ltd.<br>912 Alishan Awaas,<br>Diwali Baugh,<br>Athwa Lines<br>Nanpura, Surat 395 001.<br>Gujarat.                           | U24110GJ1979PLC003315 | Subsidiary                            | 100%                    | Sec 2(87)                 |
| 2.             | Mafatlal Enterprises Limited<br>59, The Arcade, 1st Floor,<br>World Trade Centre,<br>Cuffe Parade, Colaba,<br>Mumbai - 400 005.<br>Maharashtra. | U24242MH1995PLC089649 | Subsidiary                            | 100%                    | Sec 2(87)                 |

# STANDARD INDUSTRIES LTD.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (i) Category-wise Shareholding

| Category of Shareholders  | No. of Shares held. at the beginning of the year (1.04.2016) |                 |                 |                   | No. of Shares. held at the end of the year (31.03.2017) |                 |                 |                   | % Change during the year |
|---|--|-----------------|-----------------|-------------------|---|-----------------|-----------------|-------------------|--------------------------|
|   | Demat  | Physical        | Total           | % of Total Shares | Demat   | Physical        | Total           | % of Total Shares |                          |
| <b>(A) Promoters</b>  |  |                 |                 |                   |   |                 |                 |                   |                          |
| <b>(1) Indian</b>   |  |                 |                 |                   |   |                 |                 |                   |                          |
| (a) Individuals/H.U.F   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (b) Central Government  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (c) State Government(s)   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (d) Bodies Corporate  | 12948487   | 0               | 12948487        | 20.13             | 12948487  | 0               | 12948487        | 20.13             | 0.00                     |
| (e) Banks/Financial Institutions  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (f) Any Other   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| <b>Sub-Total (A)(1)</b>   | <b>12948487</b>  | <b>0</b>        | <b>12948487</b> | <b>20.13</b>      | <b>12948487</b>   | <b>0</b>        | <b>12948487</b> | <b>20.13</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>  |  |                 |                 |                   |   |                 |                 |                   |                          |
| (a) Non Resident Individuals  | 13555  | 0               | 13555           | 0.02              | 13555   | 0               | 13555           | 0.02              | 0.00                     |
| (b) Other-Individuals   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (c) Bodies Corporate  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (d) Banks/Financial Institutions  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (e) Any Other   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| <b>Sub-Total (A)(2)</b>   | <b>13555</b>   | <b>0</b>        | <b>13555</b>    | <b>0.02</b>       | <b>13555</b>  | <b>0</b>        | <b>13555</b>    | <b>0.02</b>       | <b>0.00</b>              |
| <b>Total shareholding of Promoters (A)=(A)(1)+(A)(2)</b>                        | <b>12962042</b>  | <b>0</b>        | <b>12962042</b> | <b>20.15</b>      | <b>12962042</b>   | <b>0</b>        | <b>12962042</b> | <b>20.15</b>      | <b>0.00</b>              |
| <b>(B) Public Shareholding</b>  |  |                 |                 |                   |   |                 |                 |                   |                          |
| <b>(1) Institutions</b>   |  |                 |                 |                   |   |                 |                 |                   |                          |
| (a) Mutual Fund   | 3892   | 64167           | 68059           | 0.11              | 3892  | 64167           | 68059           | 0.11              | 0.00                     |
| (b) Banks/Financial Institutions  | 25972  | 16292           | 42264           | 0.07              | 25972   | 16292           | 42264           | 0.07              | 0.00                     |
| (c) Central Government  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (d) State Government(s)   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (e) Venture Capital Funds   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (f) Insurance Companies   | 3079434  | 560             | 3079994         | 4.78              | 3079434   | 560             | 3079994         | 4.78              | 0.00                     |
| (g) Foreign Institutional Investors   | 97119  | 3000            | 100119          | 0.16              | 0   | 3000            | 3000            | 0.00              | -0.16                    |
| (h) Foreign Venture Capital Funds   | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| (i) Others  | 0  | 0               | 0               | 0.00              | 0   | 0               | 0               | 0.00              | 0.00                     |
| <b>Sub-Total (B)(1)</b>   | <b>3206417</b>   | <b>84019</b>    | <b>3290436</b>  | <b>5.12</b>       | <b>3109298</b>  | <b>84019</b>    | <b>3193317</b>  | <b>4.96</b>       | <b>-0.16</b>             |
| <b>(2) Non Institutions</b>   |  |                 |                 |                   |   |                 |                 |                   |                          |
| (a) Bodies Corporate  |  |                 |                 |                   |   |                 |                 |                   |                          |
| i) Indian   | 2783163  | 54026           | 2837189         | 4.41              | 3664750   | 54026           | 3711566         | 5.77              | 1.36                     |
| ii) Overseas  | 0  | 25000000        | 25000000        | 38.86             | 0   | 25000000        | 25000000        | 38.86             | 0.00                     |
| (b) Individuals   |  |                 |                 |                   |   |                 |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 11413345   | 2028124         | 13441469        | 20.90             | 10638504  | 2007461         | 12645965        | 19.66             | -1.24                    |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 6344853  | 0               | 6344853         | 9.86              | 6369772   | 0               | 6369772         | 9.90              | 0.04                     |
| (c) Others (specify)  |  |                 |                 |                   |   |                 |                 |                   |                          |
| Non resident individuals  | 441590   | 11362           | 452952          | 0.70              | 408050  | 11362           | 419412          | 0.65              | -0.05                    |
| <b>Sub-Total (B)(2)</b>   | <b>20982951</b>  | <b>27093512</b> | <b>48076463</b> | <b>74.73</b>      | <b>21100833</b>   | <b>27072749</b> | <b>48173582</b> | <b>74.89</b>      | <b>0.16</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                              | <b>24189368</b>  | <b>27177531</b> | <b>51366899</b> | <b>79.85</b>      | <b>24210131</b>   | <b>27156768</b> | <b>51366899</b> | <b>79.85</b>      | <b>0.00</b>              |
| <b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>                        | <b>0</b>   | <b>0</b>        | <b>0</b>        | <b>0.00</b>       | <b>0</b>  | <b>0</b>        | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>37151410</b>  | <b>27177531</b> | <b>64328941</b> | <b>100.00</b>     | <b>37172173</b>   | <b>27156768</b> | <b>64328941</b> | <b>100.00</b>     | <b>0.00</b>              |

**(ii) Shareholding of Promoters**

| Sr. No. | Name of the shareholder                           | No. of Shares held at the beginning of the year (1.04.2016) |                                  |  | No. of Shares held at the end of the year (31.03.2017) |                                  |  | % Change in shareholding during the year |
|---------|---|---|----------------------------------|--|--|----------------------------------|--|--|
|         |   | No. of Shares   | % of total shares of the Company | % of shares pledged/encumbered to total shares | No. of Shares  | % of total shares of the Company | % of shares pledged/encumbered to total shares |  |
| 1.      | Stanrose Mafatlal Investments And Finance Limited | 12404487  | 19.28                            | 0.00   | 12404487   | 19.28                            | 0.00   | 0.00                                     |
| 2.      | Shanudeep Private Limited                         | 500000  | 0.78                             | 0.00   | 500000   | 0.78                             | 0.00   | 0.00                                     |
| 3.      | Shri Pradeep Rasesh Mafatlal                      | 13555   | 0.02                             | 0.00   | 13555  | 0.02                             | 0.00   | 0.00                                     |
| 4.      | Sheiladeep Investments Private Limited            | 11000   | 0.02                             | 0.00   | 11000  | 0.02                             | 0.00   | 0.00                                     |
| 5.      | Vinadeep Investments Private Limited              | 11000   | 0.02                             | 0.00   | 11000  | 0.02                             | 0.00   | 0.00                                     |
| 6.      | Gagalbhai Investments Private Limited             | 11000   | 0.02                             | 0.00   | 11000  | 0.02                             | 0.00   | 0.00                                     |
| 7.      | Pradeep Investments Private Limited               | 11000   | 0.02                             | 0.00   | 11000  | 0.02                             | 0.00   | 0.00                                     |
|         | <b>TOTAL</b>                                      | <b>12962042</b>   | <b>20.15</b>                     | <b>0.00</b>                                    | <b>12962042</b>  | <b>20.15</b>                     | <b>0.00</b>                                    | <b>0.00</b>                              |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sr. No.   | Names | Shareholding at the beginning of the year (01.04.2016) |                                  | Remarks | Shareholding at the end of the year (31.03.2017) |                                  |
|-----------|-------|--|----------------------------------|---------|--|----------------------------------|
|           |       | No. of shares  | % of total shares of the Company |         | No. of shares                                    | % of total shares of the Company |
| NO CHANGE |       |  |                                  |         |  |                                  |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. No. | Name of Top 10 Shareholders             | Shareholding at the beginning of the year (01.04.2016) |                                  | Increase/Decrease in shareholding | Remarks  | Shareholding at the end of the year (31.03.2017) |                                  |
|---------|---|--|----------------------------------|-----------------------------------|----------|--|----------------------------------|
|         |   | No. of shares  | % of total shares of the Company |                                   |          | No. of shares                                    | % of total shares of the Company |
| 1.      | Satin Limited                           | 25000000   | 38.86                            | —                                 | —        | 25000000   | 38.86                            |
| 2.      | Tushad K. Cooper                        | 1439199  | 2.24                             | 3000                              | Sale     | 1436199  | 2.23                             |
| 3.      | Life Insurance Corporation of India     | 1311631  | 2.04                             | —                                 | —        | 1311631  | 2.04                             |
| 4.      | Internation Financial Services Ltd.     | 245000   | 0.38                             | 882900                            | Purchase | 1127900  | 1.75                             |
| 5.      | The Oriental Insurance Company Limited  | 1113472  | 1.73                             | —                                 | —        | 1113472  | 1.73                             |
| 6.      | The New India Assurance Company Limited | 529316   | 0.82                             | —                                 | —        | 529316   | 0.82                             |
| 7.      | Nanubhai Premjibhai Bambharolia         | 227502   | 0.35                             | 19925                             | Purchase | 247427   | 0.38                             |
| 8.      | Nangalia Hydrocarbon Limited            | 189232   | 0.29                             | 23000                             | Purchase | 212232   | 0.33                             |
| 9.      | Jay Anand Stock Broking (P) Ltd.        | 203903   | 0.32                             | —                                 | —        | 203903   | 0.32                             |
| 10.     | Darashaw K. Mehta                       | 197227   | 0.31                             | —                                 | —        | 197227   | 0.31                             |

# STANDARD INDUSTRIES LTD.

## (v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Names  | Shareholding at the beginning of the year (01.04.2016) |                                  | Increase/Decrease in shareholding | Remarks | Shareholding at the end of the year (31.03.2017) |                                  |
|---------|--|--|----------------------------------|-----------------------------------|---------|--|----------------------------------|
|         |  | No. of shares  | % of total shares of the Company |                                   |         | No. of shares                                    | % of total shares of the Company |
| 1.      | Shri P. R. Mafatlal                                | 13555  | 0.02                             | —                                 | —       | 13555  | 0.02                             |
| 2.      | Shri R. J. Taraporevala (Expired on 07.01.2017)    | 3482   | 0.01                             | 3482                              | Sale    | —  | —                                |
| 3.      | Shri M. L. Apte                                    | 2300   | 0.00                             | 565                               | Sale    | 1735   | 0.00                             |
| 4.      | Shri F. M. Pardiwalla (Resigned w.e.f. 16.11.2016) | 4650   | 0.01                             | 4000                              | Sale    | 650  | 0.00                             |
| 5.      | Shri K. J. Pardiwalla                              | —  | —                                | —                                 | —       | —  | —                                |
| 6.      | Smt. Divya P. Mafatlal                             | —  | —                                | —                                 | —       | —  | —                                |
| 7.      | Shri D. H. Parekh                                  | —  | —                                | —                                 | —       | —  | —                                |
| 8.      | Shri Shobhan Diwanji                               | —  | —                                | —                                 | —       | —  | —                                |
| 9.      | Smt. T. B. Panthaki                                | 1175   | 0.00                             | —                                 | —       | 1175   | 0.00                             |
| 10.     | Shri J. R. Shah                                    | 300  | 0.00                             | —                                 | —       | 300  | 0.00                             |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

| Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| (i) Principal Amount                                | 25,00,00,000                     | —               | —        | 25,00,00,000       |
| (ii) Interest due but not paid                      | —                                | —               | —        | —                  |
| (iii) Interest accrued but not due                  | —                                | —               | —        | —                  |
| Total (i+ii+iii)                                    | 25,00,00,000                     | -               | -        | 25,00,00,000       |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | 30,57,534                        | —               | —        | 30,57,534          |
| • Reduction   | 6,25,00,000                      | —               | —        | 6,25,00,000        |
| Net Change  | 5,94,42,466                      | —               | —        | 5,94,42,466        |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| (i) Principal Amount                                | 18,75,00,000                     | —               | —        | 18,75,00,000       |
| (ii) Interest due but not paid                      | —                                | —               | —        | —                  |
| (iii) Interest accrued but not due                  | 30,57,534                        | —               | —        | 30,57,534          |
| Total (i+ii+iii)                                    | 19,05,57,534                     | —               | —        | 19,05,57,534       |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD Manager  | Total Amount     |
|---------|---|---|------------------|
|         |   | Shri D. H. Parekh   |                  |
| 1.      | Gross salary  |   |                  |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 | 22,75,000   | 22,75,000        |
|         | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                      | 6,91,512  | 6,91,512         |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961       | —   | —                |
| 2.      | Stock Option  | —   | —                |
| 3.      | Sweat Equity  | —   | —                |
| 4.      | Commission  |   |                  |
|         | — as % of profit  | —   | —                |
|         | — others  | —   | —                |
| 5.      | Others  | —   | —                |
|         | <b>Total (A)</b>  | <b>29,66,512</b>  | <b>29,66,512</b> |
|         | Ceiling as per Act  | In view of losses sustained by the Company, the remuneration is as per Schedule V of the Companies Act, 2013. |                  |

**B. Remuneration to other Directors:**

(₹ in lakhs)

| Sr. No. | Particulars of Remuneration                  | Name of Directors                               |  |  |                      |   | Total Amount |
|---------|--|---|--|--|----------------------|---|--------------|
|         |  | Shri R. J. Taraporevala (expired on 07.01.2017) | Shri M. L. Apte                        | Shri F. M. Pardiwalla (Resigned on 16.11.2016) | Shri Shobhan Diwanji | Shri K. J. Pardiwalla (Appointed w.e.f. 10.02.2017) |              |
| 1.      | Independent Directors                        |   |  |  |                      |   |              |
|         | • Fee for attending board committee meetings | 1.40  | 2.40                                   | 2.20   | 1.20                 | 1.00  | 8.20         |
|         | • Commission                                 | —   | —                                      | —  | —                    | —   | —            |
|         | • Others, please specify                     | —   | —                                      | —  | —                    | —   | —            |
|         | <b>Total (1)</b>                             | <b>1.40</b>                                     | <b>2.40</b>                            | <b>2.20</b>                                    | <b>1.20</b>          | <b>1.00</b>   | <b>8.20</b>  |
|         |  | Shri P. R. Mafatlal                             | Shri K. J. Pardiwalla (Upto 9.02.2017) | Smt D. P. Mafatlal                             |                      |   |              |
| 2.      | Other Non-Executive Directors                |   |  |  |                      |   |              |
|         | • Fee for attending board committee meetings | 1.20  | 1.40                                   | 0.80   |                      |   | 3.40         |
|         | • Commission                                 | —   | —                                      | —  |                      |   | —            |
|         | • Others, please specify                     | —   | —                                      | —  |                      |   | —            |
|         | <b>Total (2)</b>                             | <b>1.20</b>                                     | <b>1.40</b>                            | <b>0.80</b>                                    |                      |   | <b>3.40</b>  |
|         | <b>Total (B) = (1 + 2)</b>                   |   |  |  |                      |   | <b>11.60</b> |
|         | <b>Total Managerial Remuneration</b>         |   |  |  |                      |   |              |
|         | <b>Overall ceiling as per the Act</b>        |   |  |  |                      |   |              |



# STANDARD INDUSTRIES LTD.

## C. Remuneration to Key Managerial Personnel other than MD/Manger/WTD

(in ₹)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel   |  |              |
|---------|---|--|--|--------------|
|         |   | Smt T. B. Panthaki<br>Vice President (Legal) & Company Secretary | Shri J. R. Shah<br>Chief Financial Officer | Total Amount |
| 1.      | Gross salary  |  |  |              |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 11,00,738  | 7,12,666                                   | 18,13,404    |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 32,400   | —  | 32,400       |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961       |  |  |              |
| 2.      | Stock Option  | —  | —  | —            |
| 3.      | Sweat Equity  | —  | —  | —            |
| 4.      | Commission<br>— as % of profit<br>— others  |  |  |              |
| 5.      | Others  | —  | —  | —            |
|         | Total (A)   | 11,33,138  | 7,12,666                                   | 18,45,804    |
|         | Ceiling as per Act  |  |  |              |

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type                                 | Section of the Companies Act | Brief Description | Details of penalty/ punishment/ compounding fees imposed | Authority [RD/NCLT/ Court] | Appeal made, if any |
|--------------------------------------|------------------------------|-------------------|--|----------------------------|---------------------|
| <b>A. Company</b>                    |                              |                   |  |                            |                     |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE   |                            |                     |
| <b>B. Directors</b>                  |                              |                   |  |                            |                     |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE   |                            |                     |
| <b>C. Other Officers in Default</b>  |                              |                   |  |                            |                     |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE   |                            |                     |

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

Mumbai  
Dated : 16th May, 2017.

**ANNEXURE B TO THE DIRECTORS' REPORT****POLICY ON DIRECTORS APPOINTMENT & REMUNERATION*****Nomination & Remuneration Policy***

The Remuneration Committee of Standard Industries Limited ("the Company") was constituted on 9th December, 2002. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 13, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

**OBJECTIVE**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 under the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**DEFINITIONS**

**(a) Key Managerial Personnel:** Key Managerial Personnel means—

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Company Secretary,
- iii. Chief Financial Officer; and
- iv. Such other officer as may be prescribed.

**(b) Senior Management:** Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

**ROLE OF COMMITTEE**

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan;

# STANDARD INDUSTRIES LTD.

## MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

## VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board.

## REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate with regard to the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee
- to consider any other matters as may be requested by the Board;

## MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

*Approved & adopted by the Board of Directors at their meeting held on May 13, 2014.*

For and on behalf of the Board

PRADEEP R. MAFATLAL  
*Chairman*

*Mumbai*

*Dated : 16th May, 2017.*

## ANNEXURE C TO THE DIRECTORS' REPORT

FORM NO. AOC – 2

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

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

|     |   |  |
|-----|---|--|
| 1.  | Details of contracts or arrangements or transactions not at arm's length basis: N. A.       |  |
| 2.  | Details of contracts or arrangements or transactions at arm's length basis:                 |  |
| (a) | Name(s) of the related party and nature of relationship                                     | Shanudeep Private Limited is the promoter of the Company. It holds 0.78% shares in the Company. The Chairman of the Company is also the shareholder and Chairman of Shanudeep Private Limited. His wife Smt. Divya P. Mafatlal, Director of the Company is also a Director of Shanudeep Private Limited. His mother, Smt. Pravina R. Mafatlal is also a Director and shareholder of Shanudeep Private Limited.   |
| (b) | Nature of contracts/arrangements/ transactions  | (i) Use of office premises on Leave and Licence<br>(ii) Availing facilities and amenities  |
| (c) | Duration of the contracts/arrangements/ transactions  | (i) From 19th August, 2015 to 18th August, 2016<br>From 19th August, 2016 to 18th August, 2019<br>(ii) From 21st August, 2013 to 20th August, 2016<br>From 21st August, 2016 to 20th August, 2019  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | (i) Use of office premises admeasuring 4500 sq. ft. at 1st Floor and 4500 sq. ft. at 3rd Floor of Vijyalaxmi Mafatlal Centre, 57-A, Dr. G. Desmukh Marg, Mumbai 400026 on leave and licence basis at licence fees of ₹ 8,10,000/- p.m. excluding applicable taxes, levies and sharing of common expenses.<br>(ii) Availing Facilities and Services at the aforesaid premises by paying ₹10,89,000/- p.m. as service charges excluding applicable taxes, levies and sharing of common expenses. |
| (e) | Date(s) of approval by the Board, if any:   | (i) 29th May, 2015 and 27th April, 2016<br>(ii) 21st May, 2013 and 27th April, 2016  |
| (f) | Amount paid as advances, if any:  | Nil  |

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

Mumbai

Dated : 16th May, 2017.

**ANNEXURE D TO THE DIRECTORS' REPORT**

**DETAILS FOR BOARD REPORT**

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

- A. Ratio of remuneration of each Director to the Median remuneration of all the employees of your Company for the financial year 2016-17 is as follow:**

| Name of the Director | Total Remuneration (₹) | Ratio of remuneration of Director to the median remuneration |
|----------------------|------------------------|--|
| D. H. Parekh         | 29,66,512/-            | 4.14   |

Notes:

- The Information provided above is on standalone basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.
- Median remuneration of the Company for all its employees is ₹ 7,16,144/- for the financial year 2016-17.

- B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2016-17:**

| Name                | Designation                    | Remuneration (in ₹) |           | Increase % |
|---------------------|--------------------------------|---------------------|-----------|------------|
|                     |                                | 2016-2017           | 2015-2016 |            |
| D. H. Parekh        | Executive Director             | 29,66,512           | 36,68,084 | —          |
| Tanaz B. Panthaki   | VP (Legal) & Company Secretary | 11,33,138           | 9,74,810  | 16.24*     |
| Jayantkumar R. Shah | Chief Financial Officer        | 7,12,666            | 7,57,616  | —          |

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

Note: Remuneration to Director within the over all limits approved by the Shareholders.

- C. Percentage increase in the median remuneration of all employees in the financial year 2016-17:**

| Particulars                                    | 2016-17 (₹) | 2015-16 (₹) | Increase % |
|--|-------------|-------------|------------|
| Median remuneration of all employees per annum | 7,16,144    | 7,31,043    | —          |

- D. Number of permanent employees on the rolls of the Company as on 31st March, 2017:**

| Particulars             | Number of employees |
|-------------------------|---------------------|
| Executive/Manager Cadre | 11                  |
| Staff                   | 2                   |
| Total                   | 13                  |

- E. Comparison of average % increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

(Amount in ₹)

| Particulars                     | 2016-17   | 2015-16   | Increase % |
|---------------------------------|-----------|-----------|------------|
| Average salary of all employees | 7,28,876  | 6,76,915  | 7.68       |
| Key Managerial Personnel:       |           |           |            |
| Salary of Executive Director    | 29,66,512 | 36,68,084 | —          |
| Salary of CS & CFO              | 18,45,804 | 17,32,426 | 6.54*      |

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

- F. It is affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.**

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

Mumbai

Dated : 16th May, 2017.

## ANNEXURE E TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

requiring compliance thereof by the Company during the financial year.

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

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

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

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

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

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

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

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

For Nishant Jawasa & Associates  
*Company Secretaries*

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

*Place: Mumbai*  
*Date: 16th May, 2017*



## 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 upholding 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:

| Name of Directors   | Category Executive/ Non-Executive/ Independent | No. of Board Meetings attended during 2016-2017 | Whether attended AGM held on 27th June, 2016 | No. of other Directorships and Committee Memberships |                               |
|---|--|---|--|--|-------------------------------|
|   |  |   |  | Other Directorships (including Private Companies)    | Other Committee Memberships** |
| Shri Pradeep R. Mafatlal<br>Chairman  | Promoter<br>Non-Executive                      | 3   | No   | 10 *   | 1                             |
| Shri Russi Jal Taraporevala<br>(expired on 07.01.2017)                                  | Non-Executive &<br>Independent                 | 2   | No   | —  | —                             |
| Shri M. L. Apte   | Non-Executive &<br>Independent                 | 4   | No   | 6  | 8(1)                          |
| Shri F. M. Pardiwalla<br>(resigned w.e.f. 16.11.2016)                                   | Non-Executive &<br>Independent                 | 3   | Yes  | —  | —                             |
| Shri K. J. Pardiwalla<br>(Appointed as an<br>Independent Director<br>w.e.f. 10.02.2017) | Non-Executive &<br>Independent                 | 4   | Yes  | 4  | 2(2)                          |
| Smt. Divya P. Mafatlal  | Promoter<br>Non-Executive                      | 4   | No   | 6  | —                             |
| Shri D. H. Parekh   | Executive<br>Director                          | 4   | Yes  | 5  | —                             |
| Shri Shobhan Diwanji  | Non-Executive &<br>Independent                 | 3   | No   | 1  | 1                             |

\* Including Foreign Companies.

\*\* Figure in brackets indicate Committee Chairmanships.

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

**Note:** Smt. Divya P. Mafatlal is the wife of Shri Pradeep R. Mafatlal, Chairman of the Company.

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

Four Board Meetings were held during the Financial Year from 1st April, 2016 to 31st March, 2017. The dates of such Board Meetings are 27.04.2016, 12.08.2016, 11.11.2016 and 10.02.2017.

**II. AUDIT COMMITTEE**

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

|  |    |          |
|--|----|----------|
| Shri F. M. Pardiwalla<br>(Resigned w.e.f. 16.11.2016)  | .. | Chairman |
| Shri R. J. Taraporevala<br>(Expired on 07.01.2017)     | .. | Member   |
| Shri K. J. Pardiwalla<br>(Appointed w.e.f. 10.02.2017) | .. | Chairman |
| Shri M. L. Apte  | .. | Member   |
| Shri D. H. Parekh<br>(w.e.f. 10.02.2017)               | .. | Member   |

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

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter alia includes the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing and examining, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
- c. Major accounting entries involving estimates based on the exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Modified opinion(s) in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

During the Financial Year ended 31st March, 2017 the Audit Committee met four times, viz. on 27.04.2016, 12.08.2016, 11.11.2016 and 10.02.2017. Attendance during the Financial Year is as under:

| Members  | Meetings attended |
|--|-------------------|
| Shri F. M. Pardiwalla, Chairman<br>(Resigned w.e.f. 16.11.2016)  | 3                 |
| Shri R. J. Taraporevala<br>(Expired on 07.01.2017)               | 2                 |
| Shri K. J. Pardiwalla, Chairman<br>(Appointed w.e.f. 10.02.2017) | 1                 |
| Shri M. L. Apte  | 4                 |
| Shri D. H. Parekh<br>(w.e.f. 10.02.2017)                         | 1                 |

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

|   |    |          |
|---|----|----------|
| Shri K. J. Pardiwalla                                 | .. | Chairman |
| Shri P. R. Mafatlal                                   | .. | Member   |
| Shri R. J. Taraporevala<br>(Expired on 07.01.2017)    | .. | Member   |
| Shri F. M. Pardiwalla<br>(Resigned w.e.f. 16.11.2016) | .. | Member   |
| Shri D. H. Parekh<br>(w.e.f. 10.02.2017)              | .. | Member   |

# STANDARD INDUSTRIES LTD.

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

During the Financial Year ended 31st March, 2017, the aforesaid Committee met four times, viz. on 27.04.2016, 12.08.2016, 11.11.2016 and 10.02.2017.

| Members  | Meetings attended |
|--|-------------------|
| Shri K. J. Pardiwalla, Chairman                        | 4                 |
| Shri R. J. Taraporevala<br>(Expired on 07.01.2017)     | 2                 |
| Shri P. R. Mafatlal                                    | 3                 |
| Shri F. M. Pardiwalla,<br>(Resigned w.e.f. 16.11.2016) | 3                 |
| Shri D. H. Parekh<br>(w.e.f. 10.02.2017)               | –                 |

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

Number of Shareholders' : 3  
Complaints received during the financial year 1st April, 2016 to 31st March, 2017.

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

Number of pending share Transfers/complaints : Nil

### Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

## IV. NOMINATION & REMUNERATION COMMITTEE

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

|   |    |          |
|---|----|----------|
| Shri R. J. Taraporevala<br>(Expired on 07.01.2017)              | .. | Chairman |
| Shri F. M. Pardiwalla<br>(Resigned w.e.f. 16.11.2016)           | .. | Member   |
| Shri K. J. Pardiwalla<br>(Appointed Chairman w.e.f. 10.02.2017) | .. | Chairman |
| Shri M. L. Apte   | .. | Member   |
| Shri Shobhan Diwanji  | .. | Member   |
| Smt. Divya P. Mafatlal<br>(w.e.f. 10.02.2017)                   | .. | Member   |

The powers, role and terms of reference of the Nomination & Remuneration Committee covers the

areas as contemplated under Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down; and recommend to the Board their appointment and removal.

The aforesaid Committee met twice during the Financial Year from 1st April, 2016 to 31st March, 2017, viz. on 27.04.2016 and 10.02.2017.

| Members   | Meetings attended |
|---|-------------------|
| Shri R. J. Taraporevala, Chairman<br>(Expired on 07.01.2017)              | –                 |
| Shri M. L. Apte   | 2                 |
| Shri F. M. Pardiwalla<br>(Resigned w.e.f. 16.11.2016)                     | 1                 |
| Shri K. J. Pardiwalla, Chairman<br>(Appointed Chairman w.e.f. 10.02.2017) | 2                 |
| Shri Shobhan Diwanji  | 2                 |
| Smt. Divya P. Mafatlal<br>(w.e.f. 10.02.2017)                             | –                 |

### 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 Nomination & Remuneration Committee, the Board and the shareholders in the year 2014. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation and Gratuity.

The Nomination and Remuneration Policy as approved by the Board of Directors is annexed as Annexure B to the Directors' Report.

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

|                   | ₹ (in lakhs) |                  |                    |       |
|-------------------|--------------|------------------|--------------------|-------|
|                   | Salary       | Per-<br>quisites | Contri-<br>butions | Total |
| Shri D. H. Parekh | 23.64        | 4.62             | 7.42*              | 35.68 |

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

## Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, based on recommendations of the Nomination and Remuneration Committee, has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Relationship Committees.

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

## V. INDEPENDENT DIRECTORS' COMMITTEE

The Independent Directors' Committee comprises the following Directors:

|  |    |        |
|--|----|--------|
| Shri Russi Jal Taraporevala<br>(Expired on 07.01.2017) | .. | Member |
| Shri M. L. Apte  | .. | Member |
| Shri F. M. Pardiwalla<br>(Resigned w.e.f. 16.11.2016)  | .. | Member |
| Shri Shobhan Diwanji                                   | .. | Member |
| Shri K. J. Pardiwalla<br>(w.e.f. 10.02.2017)           | .. | Member |

The Independent Directors met twice during the financial year viz. on 11th November, 2016 and 10th February, 2017, inter-alia, to consider

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

The weblink where details of Familiarization programmes are imparted to Independent Directors is <http://www.standardindustries.co/pdf/FamiliarizationProgrammeforIndependentDirectors.pdf>

## VI. INVESTMENT COMMITTEE

The Investment Committee comprises the following two Directors:

|                       |    |          |
|-----------------------|----|----------|
| Shri P. R. Mafatlal   | .. | Chairman |
| Shri K. J. Pardiwalla | .. | Member   |

The Committee met four times during the Financial Year, viz. on 27.04.2016, 12.08.2016, 17.11.2016 and 10.02.2017.

The Investment Committee is vested with powers to invest an amount not exceeding ₹ 300 Crores from the excess funds available with the Company in Initial Public Offers (IPOs), purchase of shares from Secondary Markets, Mutual Funds/Fixed Deposits with various Banks, etc. The said Committee has been formed under the provisions of Section 179(3) of the Companies Act, 2013.

## VII. RISK ASSESSMENT POLICY:

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

## VIII. CODE OF CONDUCT

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

A copy of the Code has been put on the Company's website [www.standardindustries.co](http://www.standardindustries.co)

## IX. DIRECTORS' REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED 31st MARCH, 2017.

| Name of the Directors                                    | Remuneration paid during April, 2016 to March, 2017 |                     |            | No. of shares held as on 31.03.2017 |
|--|---|---------------------|------------|-------------------------------------|
|  | Sitting Fees<br>₹                                   | Salary & Perks<br>₹ | Total<br>₹ |                                     |
| Shri Pradeep R. Mafatlal,<br>Chairman                    | 1,20,000  | –                   | 1,20,000   | 13555                               |
| Shri Russi J. Taraporevala<br>(Expired on 07.01.2017)    | 1,40,000  | –                   | 1,40,000   | 3482                                |
| Shri M. L. Apte  | 2,40,000  | –                   | 2,40,000   | 1735                                |
| Shri F. M. Pardiwalla<br>(Resigned<br>w.e.f. 16.11.2016) | 2,20,000  | –                   | 2,20,000   | 4650                                |

# STANDARD INDUSTRIES LTD.

| Name of the Directors                    | Remuneration paid during<br>April, 2016 to March, 2017 |                        |                  | No. of shares<br>held as on<br>31.03.2017 |
|--|--|------------------------|------------------|---|
|  | Sitting<br>Fees<br>₹                                   | Salary &<br>Perks<br>₹ | Total<br>₹       |   |
| Shri K. J. Pardiwalla                    | 2,40,000   | -                      | 2,40,000         | -   |
| Smt. Divya P. Mafatlal                   | 80,000   | -                      | 80,000           | -   |
| Shri D. H. Parekh,<br>Executive Director | -  | 35,67,519*             | 35,67,519*       | -   |
| Shri Shobhan Diwanji                     | 1,20,000   | -                      | 1,20,000         | -   |
| <b>TOTAL</b>                             | <b>11,60,000</b>                                       | <b>35,67,519</b>       | <b>47,27,519</b> | <b>-</b>                                  |

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

The Company does not pay any remuneration to its Non-Executive Directors, apart from Sitting Fees paid to them for the Board Meetings and Committee Meetings attended by them during the year.

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, 2017. 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.

## X. SHAREHOLDERS' INFORMATION

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

| Year      | AGM | Location   | Date and Time           |
|-----------|-----|--|-------------------------|
| 2015-2016 | AGM | The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai-400 614. | 27.06.2016 at 3.00 p.m. |
| 2014-2015 | AGM | ----do----   | 29.09.2015 at 3.00 p.m. |
| 2013-2014 | AGM | ----do----   | 14.08.2014 at 1.00 p.m. |

### (b) Whether any Special Resolutions were passed in the previous 3 Annual General Meetings:

| Year      | Special Resolutions   |
|-----------|---|
| 2015-2016 | Approval u/s 180 of the Companies Act, 2013 for borrowing upto ₹ 300 crores & for creating charges, mortgages and hypothecations in connection with the borrowings upto ₹ 300 crores. |
| 2014-2015 | Approval of material related party transactions with Shanudeep Private Limited  |
| 2013-2014 | Re-appointment of Shri D. H. Parekh as an Executive Director for a period of 3 years w.e.f. 2nd August, 2014.   |

### (c) Whether any Special Resolutions were put through postal ballot last year, details of voting pattern:

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

## XI. DISCLOSURES

- (a) All transactions entered into with related parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

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. 27(d) to the 'Notes on Accounts' annexed to the Financial Statements for the year under review.

The Company has framed a Policy on Related Party transactions. The weblink where the Policy dealing with Related Party transaction is disclosed is <http://standardindustries.co/pdf/PolicyonRelatedPartyTransactions.pdf>

- (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) Whistle Blower Policy

The Company has formulated a Vigil Mechanism/Whistle Blower Policy with a view to provide a mechanism for Directors and employees to approach the Audit Committee or any member of Audit Committee. During the year under review no employee was denied access to the Audit Committee.

- (d) The Company has complied with all the mandatory requirements as prescribed in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following discretionary requirements have been adopted by the Company:

- (a) Auditor's Report does not contain any qualifications.
- (b) The Company has appointed separate persons to the posts of Chairman and Executive Director.
- (c) The Internal Auditors report directly to the Audit Committee.

- (e) The policy for determining 'Material' subsidiaries is available on weblink <http://standardindustries.co/pdf/Policyfor determiningMaterialSubsidiaries.pdf>

## XII. 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) and are also uploaded on the Company's website [www.standardindustries.co](http://www.standardindustries.co)

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

## XIII. GENERAL SHAREHOLDERS' INFORMATION

### 1. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17110MH1892PLC000089.

### 2. Annual General Meeting

**Date & Time** : 31st August, 2017  
at 3.00 PM

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

### 3. Financial Calendar (tentative)

Financial Reporting : Mid August, 2017.  
for the Quarter ended  
30th June, 2017.

Financial Reporting : Mid November, 2017.  
for the Quarter  
ended 30th  
September, 2017.

Financial Reporting : Mid February, 2018.  
for the Quarter  
ended 31st  
December, 2017.

Financial Reporting : End May, 2018.  
for the Year ending  
31st March, 2018.

Annual General Meeting for the year ending 31st March, 2018.  
: August/September, 2018.

4. **Book Closure Date** : 17.8.2017 to 31.8.2017.  
(both days inclusive)

5. **Dividend Payment Date** : 25th September, 2017.

6. **Listing of Equity Shares on the Stock Exchanges** : 1. BSE 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, 2018.

### 7. Stock Code

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

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

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

10. **Registrar & Share Transfer Agents (R & STA)** : Corporate Office:  
M/s. Karvy Computershare Private Limited,  
Karvy Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032.  
Tel. No. +91 40 6716 2222  
Fax No. +91 40 2342 0814  
Email : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
  
Mumbai Front Office:  
M/s. Karvy Computershare Private Limited  
24-B, Raja Bahadur Mansion,  
Ground Floor, Ambalal Doshi Marg,  
Behind BSE, Fort,  
Mumbai - 400 023.  
Tel. No. +91 22 6623 5454  
+91 22 6623 5412  
+91 22 6623 5427

All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & STA at the above address.

# STANDARD INDUSTRIES LTD.

11. **Share Transfer System** : Shares sent for transfer in physical form are registered by the Registrar & Share Transfer Agents M/s. Karvy Computershare Private Limited and are transferred within 15 days from the date of receipt, if documents are in order in all respects. Shares under objections are returned within 15 days of the receipt.
12. **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 transferor(s) & 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.

13. **Distribution of Shareholdings as on 31st March, 2017:**

| No. of Equity Shares held | No. of Shareholders | No. of Shares held | % Shareholding |
|---------------------------|---------------------|--------------------|----------------|
| 1 to 5000                 | 32,620              | 5,094,574          | 7.92           |
| 5001 to 10000             | 999                 | 1,572,099          | 2.44           |
| 10001 to 20000            | 595                 | 1,715,400          | 2.67           |
| 20001 to 30000            | 306                 | 1,538,056          | 2.39           |
| 30001 to 40000            | 98                  | 686,055            | 1.07           |
| 40001 to 50000            | 97                  | 911,026            | 1.41           |
| 50001 to 100000           | 163                 | 2,274,925          | 3.54           |
| 100001 & above            | 149                 | 50,536,806         | 78.56          |
| <b>TOTAL</b>              | <b>35,027</b>       | <b>64,328,941</b>  | <b>100.00</b>  |

14. **Categories of Shareholding as on 31st March, 2017.**

| Categories                          | No. of Share-Holders | No. of Shares held | % Shareholding |
|-------------------------------------|----------------------|--------------------|----------------|
| Promoters/ Group Companies          | 7                    | 1,29,62,042        | 20.15          |
| Public/Pvt. Limited Companies       | 406                  | 37,18,337          | 5.78           |
| Insurance Companies                 | 8                    | 30,79,994          | 4.79           |
| Public Financial Institutions/Banks | 22                   | 42,264             | 0.07           |
| Mutual Funds/UTI                    | 14                   | 68,059             | 0.11           |
| Foreign Institutional holding       | 1                    | 3,000              | 0.00           |
| NRIs/OCBs                           | 186                  | 2,54,19,412        | 39.51          |
| Resident Individuals                | 34,383               | 1,90,35,833        | 29.59          |
| <b>TOTAL</b>                        | <b>35,027</b>        | <b>6,43,28,941</b> | <b>100.00</b>  |

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

57.78% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2017. 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). All shares held by Promoters/Promoter Group Companies have been dematerialised.

16. **Plant Location:**

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

17. **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**

Corporate Office:  
M/s. Karvy Computershare Private Limited,  
Karvy Selenium Tower B,  
Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032.  
Tel. No. +91 40 6716 2222  
Fax No. +91 40 2342 0814  
Email : einward.ris@karvy.com

Mumbai Front Office:

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

**For Shares held in Dematerialised Form**  
To the Depository Participant

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

Standard Industries Limited,  
Secretarial Department,  
Plot No. 4, TTC Industrial Area,  
Thane Belapur Road,  
P. O. Millenium Business Park,  
Navi Mumbai-400 710.  
Tel. No. : +91 22 6516 2883, 6516 2890  
Fax: No.: +91 22 2778 0175  
E-mail ID : standardgrievances@rediffmail.com

18. **Green Initiative**

As part of the Green Initiative in Corporate Governance and as permitted by the Companies Act, 2013, listed companies

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

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

addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate columns in the Green Initiative Form attached hereto and register the same with M/s. Karvy Computershare Private Limited, at their Corporate Office, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032.



## ANNEXURE – “1”

| Month  | Month's High Price |       | Month's Low Price |       | No. of Shares Traded |         | Value ₹ (in lakhs) |        |
|--------|--------------------|-------|-------------------|-------|----------------------|---------|--------------------|--------|
|        | BSE                | NSE   | BSE               | NSE   | BSE                  | NSE     | BSE                | NSE    |
| Apr-16 | 27.70              | 27.15 | 23.20             | 22.80 | 265084               | 306832  | 68.24              | 78.29  |
| May-16 | 24.90              | 25.35 | 20.90             | 21.10 | 254648               | 141378  | 57.05              | 31.74  |
| Jun-16 | 23.00              | 23.00 | 20.00             | 19.75 | 218357               | 176577  | 46.14              | 37.64  |
| Jul-16 | 23.05              | 23.20 | 20.35             | 20.35 | 390185               | 241218  | 84.29              | 51.69  |
| Aug-16 | 28.50              | 28.40 | 22.50             | 22.30 | 1185747              | 693472  | 308.87             | 182.24 |
| Sep-16 | 31.95              | 32.20 | 26.00             | 25.55 | 1557570              | 1206336 | 465.29             | 353.20 |
| Oct-16 | 28.40              | 28.30 | 25.80             | 25.65 | 495819               | 400170  | 134.91             | 109.11 |
| Nov-16 | 27.35              | 27.75 | 20.85             | 21.05 | 339534               | 319763  | 84.66              | 80.18  |
| Dec-16 | 24.45              | 24.70 | 21.40             | 21.45 | 132735               | 92202   | 30.27              | 20.90  |
| Jan-17 | 24.25              | 24.20 | 21.80             | 21.80 | 354131               | 144152  | 81.35              | 33.44  |
| Feb-17 | 25.80              | 25.80 | 22.60             | 22.65 | 226217               | 308730  | 53.99              | 74.62  |
| Mar-17 | 24.65              | 24.60 | 21.60             | 21.60 | 483384               | 472227  | 110.29             | 108.20 |

## 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, 2017.

| Period                   | Share price | Sensex    | Relative to Sensex |
|--------------------------|-------------|-----------|--------------------|
| 01.04.2016 to 31.03.2017 | - 11.02 %   | + 17.07 % | - 28.09 %          |

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2017.

| Period                   | Share price | Nifty     | Relative to Nifty |
|--------------------------|-------------|-----------|-------------------|
| 01.04.2016 to 31.03.2017 | - 8.33      | + 18.86 % | - 27.19 %         |

### 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, 2017, 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 : 16<sup>th</sup> May, 2017

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AS/MW/011/1 dated July 18, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Standard Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

A. SIDDHARTH  
Partner  
(Membership No. 31467)

Mumbai  
Dated : May 16, 2017

## MANAGEMENT DISCUSSION AND ANALYSIS

### REAL ESTATE DIVISION & OUTLOOK

The real estate market has been amongst the sectors worst hit by the economic downturn. The demonetization on November 8, 2016 has further worsened the existing liquidity crunch. The residential space continues to face headwinds in the form of muted sales and subdued consumer demand. Furthermore, the sector has been challenged by frequent delays in project completion and a complex approval process. This has resulted in developers curtailing new project launches and focusing on executing existing projects to deliver within the committed timeframe.

The Company had leasehold land of an area of 92 acres and 10 gunthas (approx. 92.25 acres) at Thane-Belapur Road, Navi Mumbai, for a term of 100 years computed from 1.8.1965. The Company has transferred and assigned to LOMA IT Park Developers Private Limited (LOMA), Singapore, in 2008 an area of 30 acres located within the larger property of approx. 92.25 acres, for the remaining tenure of the lease with Maharashtra Industrial Development Corporation (MIDC) leaving balance plot of 62.25 acres.

The Company has entered into a Memorandum of Understanding dated 1st September, 2016, with Feat Properties Private Limited (K. Raheja group) to transfer and assign all its leasehold rights in 62.25 acres of Company's leasehold property at Plot No.4 situated at Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluka Thane, District Thane, for a consideration of ₹ 355,00,00,000/- (Rupees Three Hundred Fifty five Crores only) receivable in instalments. The transfer, assignment and consideration is subject to various conditions precedent getting satisfied including approval of MIDC and other terms and conditions specified in the aforesaid MOU.

### INDUSTRY OVERVIEW

Real Estate market in Mumbai and Thane has taken a severe hit since demonetization was announced on 8th November, 2016. Industry observers say the sector has reached stagnation point. Property experts say that transactions have practically come to a standstill in the last few months. There were very few takers due to the cash crunch. Further, property buyers were delaying their purchases hoping for interest rates to go down.

#### Strengths:

1. Significant rise in consumerism due to improvement in infrastructure facilities in Navi Mumbai.
2. Rapid urbanization.
3. Historical low cost of land

4. The Company has its presence in Navi Mumbai area since 5 decades which is fast developing. The Company has huge potential to develop its realty space as desired by it. With the State and National level policies of on-going reforms to provide sufficient impetus to infrastructure construction and Real Estate activity, there may be a boom for the Real Estate Industry in the long run.
5. Easy availability of I.T and Financial Professionals in Navi Mumbai.
6. Congestion and costly office/I.T. space in Mumbai attract people to Navi Mumbai.
7. The Indian Government has allowed foreign direct investment of upto 100% under the automatic route in real estate projects. This will be for housing, townships, commercial and industrial corridors to boost infrastructure activities in India.

#### Weakness:

1. Real Estate market in Mumbai and Thane has taken a severe hit when demonetization was announced on 8th November, 2016.
2. Severe cash crunch.
3. Fall in market demand as prospective buyers were hoping for interest rate to come down.
4. Global economic recession.
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 firmly believes that the demand for Real Estate in a country like India should remain robust in the medium to long term.
2. The Real Estate (Regulation and Development) Act, 2016 seeks to protect home-buyers as well as help boost investments in the real estate industry. The Act makes it mandatory for all commercial and residential real estate projects where land is over 500 square metres, to register with the Real Estate Regulatory Authority for launching a project.
3. The Securities and Exchange Board of India ("SEBI") has notified final regulations that will govern 'Real Estate Investment Trusts' ("REITs") and 'Infrastructure Investment Trust' ("InvITs"). This move will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals and eventually ordinary investors.

**RISKS & CONCERNS**

1. Liquidity problems due to demonetization have caused delays in execution of real estate projects.
2. As the Company has lease-hold land with MIDC, any drastic revision in transfer charges may be detrimental to the interest of the Company.
3. Strict and prolonged regulatory process leading to delay in obtaining approvals.

**TRADING DIVISION**

For the Financial Year under review, i.e. April, 2016 to March, 2017, the Company has achieved a Textile Trading Turnover of ₹ 717.19 lakhs in comparison with ₹ 612.55 lakhs for the previous Financial Year.

**OUTLOOK**

During the Financial Year, in spite of unfavourable circumstances, such as demonetization, sluggish market conditions, higher cotton prices, etc. the Company has achieved a higher turnover of more than 17% compared to the previous year.

The Company's regular products such as PV Suiting, Cotton Shirting, etc. have continued to be well accepted in the market. In addition, the Company has added new products such as Ladies' dress material and is planning to add accessories such as handkerchieves, socks, etc.

**1. SEGMENT-WISE PERFORMANCE**

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

**2. INTERNAL CONTROL SYSTEMS & ADEQUACIES**

M/s. S.U. Kapasi & Co., Chartered Accountants, were the Internal Auditors of the Company for the Financial Year 2016-17 and their name was approved by the Audit Committee.

M/s. Arunkumar K. Shah & Co., Chartered Accountants, are the Internal Auditors of the Company for the Financial Year 2017-18 and their name is approved by the Audit Committee.

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.

M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, have been appointed to certify the adequacy and effectiveness of Internal Financial Control over financial reporting for the Financial Year 2016-17.

M/s. SHR & Co., Statutory Auditors of the Company, have been appointed to certify the adequacy and effectiveness of Internal Financial Control over financial reporting for the Financial Year 2017-18.

**3. HUMAN RESOURCES**

As on 31st March, 2017, the employees' strength (on permanent roll) of the Company was 13.

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF STANDARD INDUSTRIES LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Standard Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 27(l) to the standalone financial statements regarding Company's equity investment of ₹ 5,463.52 lakhs in Standard Salt Works Limited, a wholly owned subsidiary company. The Company considers no provision for any loss is currently necessary in the financial statements for the reason stated in the note.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with the generally accepted accounting practice – Refer Note 27(a) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note 27(o) to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

A. SIDDHARTH  
Partner  
(Membership No.: 31467)

Mumbai,  
Dated: May 16, 2017

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Standard Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

# STANDARD INDUSTRIES LTD.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

A. SIDDHARTH  
*Partner*  
(Membership No.: 31467)

Mumbai,  
Dated: May 16, 2017

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loan is held in the name of the Company based on the confirmations directly received by us from lender.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence reporting under clause (iii) of the Order is not applicable.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues for a period of more than six months from the date they became payable.
- (b) There are no dues of Sales Tax, Service Tax, Customs Duty and Value Added Tax as on March 31, 2017 on account of disputes. Details of dues of Income-tax and Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

| Name of statute          | Nature of the dues | Amount (₹ in Lakhs) | Period to which the amount relates   | Forum where dispute is pending                            |
|--------------------------|--------------------|---------------------|--|---|
| Income-Tax Act, 1961     | Income-tax         | 8.95*               | 2006-07, 2008-09 to 2009-10  | Appellate Authority – Tribunal level                      |
| Central Excise Act, 1944 | Excise duty        | 106.93              | 1996-97 to 1998-99   | Appellate Authority – Commissioner level                  |
|                          |                    | 280.34              | 1981-82 to 1983-84, 1983-84 to 1987-88, 1994-1995 and 1996-97 to 1999-2000 | Appellate Authority – Tribunal level                      |
|                          |                    | 134.05              | 1996-97 to 1997-1998, and 1999-2000  | Appellate Authority – Assistant/Deputy Commissioner level |
|                          |                    | 129.37              | 1995-96 to-1997-1998   | High Court of Bombay                                      |

\*Net of amounts paid / adjusted ₹ 155.93 lacs.

- (viii) The Company has not taken any loans or borrowings during the year from financial institutions, banks and government or has not issued any debentures.

- Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, monies raised by way of term loan have, prima facie, been applied by the Company during the year for the purposes for which these were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

A. SIDDHARTH  
Partner  
(Membership No.: 31467)

Mumbai,  
Dated: May 16, 2017



# STANDARD INDUSTRIES LTD.

## BALANCE SHEET AS AT MARCH 31, 2017

| Particulars   | Note No. | As at March 31, 2017<br>₹ in Lakhs | As at March 31, 2016<br>₹ in Lakhs |
|---|----------|------------------------------------|------------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>  |          |                                    |                                    |
| <b>1. Shareholders' Funds</b>   |          |                                    |                                    |
| (a) Share capital .....   | 3        | 3216.45                            | 3216.45                            |
| (b) Reserves and surplus .....  | 4        | 3945.23                            | 5925.95                            |
|   |          | <b>7161.68</b>                     | <b>9142.40</b>                     |
| <b>2. Non-Current Liabilities</b>   |          |                                    |                                    |
| (a) Long-term borrowings .....  | 5        | —                                  | 2500.00                            |
| (b) Long-term provisions .....  | 6        | 24.11                              | 23.94                              |
|   |          | <b>24.11</b>                       | <b>2523.94</b>                     |
| <b>3. Current Liabilities</b>   |          |                                    |                                    |
| (a) Trade payables:   | 7        |                                    |                                    |
| (i) Total Outstanding dues of Micro, Small and Medium Enterprise .....              |          | —                                  | —                                  |
| (ii) Total Outstanding dues of other than Micro, Small and Medium Enterprises ..... |          | 127.93                             | 135.49                             |
|   |          | <b>127.93</b>                      | <b>135.49</b>                      |
| (b) Other current liabilities .....   | 8        | 7776.19                            | 2102.11                            |
| (c) Short-term provisions .....   | 9        | 620.28                             | 1248.57                            |
|   |          | <b>8524.40</b>                     | <b>3486.17</b>                     |
| Total.....  |          | <b>15710.19</b>                    | <b>15152.51</b>                    |
| <b>II. ASSETS</b>   |          |                                    |                                    |
| <b>1. Non-Current Assets</b>  |          |                                    |                                    |
| (a) Fixed Assets  | 10       |                                    |                                    |
| (i) Tangible assets .....   |          | 2021.16                            | 2088.67                            |
| (b) Non-current investments .....   | 11       | 5496.53                            | 93.79                              |
| (c) Long-term loans and advances .....  | 12       | 2343.01                            | 6217.89                            |
| (d) Other non-current assets .....  | 13       | 105.23                             | 1089.14                            |
|   |          | <b>9965.93</b>                     | <b>9489.49</b>                     |
| <b>2. Current Assets</b>  |          |                                    |                                    |
| (a) Current investments .....   | 14       | 1674.24                            | 1496.65                            |
| (b) Inventories .....   | 15       | 56.84                              | 65.14                              |
| (c) Property under development .....  | 16       | 3300.57                            | 3300.57                            |
| (d) Trade receivables .....   | 17       | 116.53                             | 142.80                             |
| (e) Cash and cash equivalents .....   | 18       | 518.36                             | 481.57                             |
| (f) Short-term loans and advances .....   | 19       | 74.45                              | 160.49                             |
| (g) Other current assets .....  | 20       | 3.27                               | 15.80                              |
|   |          | <b>5744.26</b>                     | <b>5663.02</b>                     |
| Total.....  |          | <b>15710.19</b>                    | <b>15152.51</b>                    |

### See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. SIDDHARTH  
Partner

Mumbai, Dated: May 16, 2017

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

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 16, 2017

For and on behalf of Board of Directors

P. R. MAFATLAL  
Chairman

M. L. APTE

K. J. PARDIWALLA

DIVYA P. MAFATLAL

} Directors

D. H. PAREKH  
Executive Director

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | Note No. | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|--|----------|---|---|
| <b>(I) INCOME</b>  |          |   |   |
| (a) Revenue from operations.....                                       | 21       | 735.19  | 629.99  |
| (b) Other income.....  | 22       | 460.95  | 433.08  |
| Total.....   |          | <u>1196.14</u>                                | <u>1063.07</u>                                |
| <b>(II) EXPENSES</b>   |          |   |   |
| (a) Purchase of traded goods – Cloths and Made-ups .....               |          | 677.91  | 619.28  |
| (b) Changes in Inventory of Stock-in-trade.....                        | 23       | 8.30  | (26.13)                                       |
| (c) Employee benefits expenses.....                                    | 24       | 182.56  | 188.02  |
| (d) Finance costs .....  | 25       | 400.00  | 94.47   |
| (e) Depreciation .....   | 10       | 83.46   | 118.71  |
| (f) Other expenses .....   | 26       | 1838.89                                       | 1209.13                                       |
| Total.....   |          | <u>3191.12</u>                                | <u>2203.48</u>                                |
| <b>(III) (LOSS) BEFORE TAXES (I-II) .....</b>                          |          | <b>(1994.98)</b>                              | <b>(1140.41)</b>                              |
| <b>(IV) TAX EXPENSE</b>  |          |   |   |
| Current tax.....   |          | —   | —   |
| Tax adjustment in respect of earlier years (net).....                  |          | 14.26   | —   |
| <b>(V) (LOSS) FOR THE YEAR (III-IV) .....</b>                          |          | <b>(1980.72)</b>                              | <b>(1140.41)</b>                              |
| <b>(VI) EARNINGS PER SHARE - BASIC AND DILUTED ₹ .....</b>             |          |   |   |
| Nominal value per share ₹ .....  |          | 5.00  | 5.00  |
| [Refer Note 27(f)]   |          |   |   |
| <b>See accompanying notes forming part of the financial statements</b> |          |   |   |

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. SIDDHARTH  
Partner

Mumbai, Dated: May 16, 2017

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

JAYANTKUMAR R. SHAH  
Chief Financial Officer

Mumbai, Dated: May 16, 2017

For and on behalf of Board of Directors

P. R. MAFATLAL  
Chairman

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

} Directors

D. H. PAREKH  
Executive Director

# STANDARD INDUSTRIES LTD.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

| Particulars   | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|---|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                    |   |   |
| (i) <b>(Loss) before Taxes</b> .....                              | <b>(1994.98)</b>                              | <b>(1140.41)</b>                              |
| <u>Adjustments for:</u>   |   |   |
| Depreciation  | <b>83.46</b>                                  | 118.71  |
| Loss/(Profit) on sale of fixed assets (net) .....                 | <b>0.08</b>                                   | (1.61)  |
| Profit on Sale of current investment.....                         | <b>(54.22)</b>                                | —   |
| Provision for doubtful debts written back .....                   | —   | (17.68)                                       |
| Sundry credit balances written back.....                          | <b>(8.94)</b>                                 | (9.66)  |
| Dividend on current Investments.....                              | <b>(60.11)</b>                                | (8.56)  |
| Dividend on long-term Investments .....                           | <b>(1.55)</b>                                 | (1.37)  |
| Interest income on fixed deposits with banks .....                | <b>(21.70)</b>                                | (53.48)                                       |
| Interest income on loan to subsidiaries.....                      | <b>(294.73)</b>                               | (336.84)                                      |
| Interest on Term Loan.....  | <b>400.00</b>                                 | 94.47   |
|   | <b>42.29</b>                                  | <b>(216.02)</b>                               |
| (ii) <b>Operating (Loss) before working capital changes</b> ..... | <b>(1952.69)</b>                              | <b>(1356.43)</b>                              |
| <u>Changes in working capital:</u>                                |   |   |
| Decrease in trade and other receivables.....                      | <b>235.15</b>                                 | 91.71   |
| Decrease/(Increase) in inventories .....                          | <b>8.30</b>                                   | (26.13)                                       |
| Increase in trade and other payables .....                        | <b>3831.90</b>                                | 1626.69                                       |
|   | <b>4075.35</b>                                | <b>1692.27</b>                                |
|   | <b>2122.66</b>                                | <b>335.84</b>                                 |
| Direct taxes Refund received/(paid) .....                         | <b>147.34</b>                                 | (2.73)  |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b> .....          | <b>2270.00</b>                                | <b>333.11</b>                                 |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                    |   |   |
| Purchase of fixed assets including capital advances .....         | <b>(571.16)</b>                               | (697.19)                                      |
| Sale of fixed assets  | <b>0.10</b>                                   | 3.10  |
| Purchase of current investments .....                             | <b>(3408.37)</b>                              | (3387.56)                                     |
| Call money paid on partly paid-up Equity Shares.....              | <b>(32.74)</b>                                | —   |
| Sale of current investments.....                                  | <b>3285.00</b>                                | 1961.00                                       |
| Loans and advances given to Subsidiary .....                      | <b>(0.01)</b>                                 | —   |
| Loans and advances received back from Subsidiary.....             | —   | (4.09)  |
| Dividend on current investments .....                             | <b>60.11</b>                                  | 8.56  |
| Dividend on long-term investments .....                           | <b>1.55</b>                                   | 1.37  |
| Balance in Earmarked accounts.....                                | <b>(3.79)</b>                                 | 2.07  |
| Interest income on fixed deposits with banks.....                 | <b>26.96</b>                                  | 51.50   |
| Interest income on loan to related parties .....                  | <b>7.27</b>                                   | 9.00  |
| Interest income on loan to Subsidiary.....                        | —   | 33.69   |
| <b>NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B)</b> .....     | <b>(635.08)</b>                               | <b>(2018.55)</b>                              |

**CASH FLOW STATEMENT** (Contd.)  
**FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|--|---|---|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>           |   |   |
| Long-term borrowings (paid)/taken .....                  | <b>(625.00)</b>                               | 2500.00                                       |
| Dividend paid .....                                      | <b>(478.68)</b>                               | (484.55)                                      |
| Corporate dividend tax paid.....                         | <b>(98.24)</b>                                | (98.24)                                       |
| Interest paid on borrowings.....                         | <b>(400.00)</b>                               | (94.47)                                       |
| NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES (C)... | <b>(1601.92)</b>                              | 1822.74                                       |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) ...    | <b>33.00</b>                                  | 137.30  |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR   | <b>441.73</b>                                 | 304.43  |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR .....   | <b>474.73</b>                                 | 441.73  |

Notes:

- Components of cash and cash equivalents include cash and bank balances (Refer Note 18 forming part of the financial statement).
- Conversion of loan to subsidiary company including interest accrued aggregating ₹ 5370 lakhs into 537,000 Equity Shares of the face value of ₹ 100/- each at a premium of ₹ 900/- is considered as a non-cash transactions.
- Cash and cash equivalents excludes deposits having bank lien against which bank guarantee has been issued by the bank to the excise authorities on behalf of the Company for a period exceeding 12 months aggregating to ₹ 105.23 lakhs and accordingly the same has been disclosed in 'Other non-current assets in the Note 13'.
- Reconciliation of Cash and cash equivalents with the financial statement

|   | March 31,<br>2017 | March 31,<br>2016 |
|---|-------------------|-------------------|
| Cash and cash equivalents as per financial statement (Refer Note 18).....   | <b>518.36</b>     | 481.57            |
| Less: Earmarked accounts (Unpaid dividend accounts) not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements' ..... | <b>43.63</b>      | 39.84             |
| Cash and Cash equivalents at the end of the year .....  | <b>474.73</b>     | 441.73            |

- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement".

**See accompanying notes forming part of the financial statements.**

In terms of our report attached

For Deloitte Haskins & Sells LLP  
 Chartered Accountants

A. SIDDHARTH  
 Partner

Mumbai, Dated: May 16, 2017

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

JAYANTKUMAR R. SHAH  
 Chief Financial Officer

Mumbai, Dated: May 16, 2017

For and on behalf of Board of Directors

P. R. MAFATLAL  
 Chairman

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

} Directors

D. H. PAREKH  
 Executive Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 1:

#### Corporate Information

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

### Note 2:

#### Significant Accounting Policies:

##### (a) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### (b) Use of Estimates:

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

##### (c) Inventories:

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

##### (d) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### (e) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### (f) 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.

##### (g) Depreciation Policy:

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

Depreciation on tangible fixed assets has been provided on the straight-line-method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for Computers (Desktop, Laptops, etc.), has been assessed for 6 years based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

##### (h) Revenue Recognition:

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Note 2: (Contd.)****(i) Fixed Assets:**

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

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

**(j) 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.

**(k) Investments:**

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

**(l) Employee Benefits:**

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

**(m) Segment reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

**(n) Taxes on Income:**

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

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)

**(o) Impairment of Assets:**

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

# STANDARD INDUSTRIES LTD.

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

**(p) Provisions and Contingencies:**

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

**(q) Doubtful Debts/Advances:**

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

**(r) Borrowing Cost:**

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

|  | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|--|--|
| <b>Note 3:</b>   |  |  |
| <b>Share Capital</b>                                       |  |  |
| Authorized:  |  |  |
| 15,00,00,000 Equity Shares of ₹ 5/- each .....             | <b>7500.00</b>                           | 7500.00                                  |
|  | <b>7500.00</b>                           | 7500.00                                  |
| Issued, Subscribed and Paid-up                             |  |  |
| 6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up..... | <b>3216.45</b>                           | 3216.45                                  |
| Total.....   | <b>3216.45</b>                           | 3216.45                                  |

Notes:

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

| Name of the Equity Shareholder                       | As at March 31, 2017      |              | As at March 31, 2016      |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | No. of Equity Shares held | % of Holding | No. of Equity Shares held | % of Holding |
| Stanrose Mafatnal Investments & Finance Limited .... | 1,24,04,487               | 19.28        | 1,24,04,487               | 19.28        |
| Satin Limited .....                                  | 2,50,00,000               | 38.86        | 2,50,00,000               | 38.86        |

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

| Particulars  | Year ended<br>March 31, 2017    |            | Year ended<br>March 31, 2016    |            |
|--|---------------------------------|------------|---------------------------------|------------|
|  | No. of fully paid Equity Shares | ₹ in Lakhs | No. of fully paid Equity Shares | ₹ in Lakhs |
| Equity Shares outstanding at the beginning of the year ..... | 6,43,28,941                     | 3216.45    | 6,43,28,941                     | 3216.45    |
| Equity Shares outstanding at the end of the year.....        | 6,43,28,941                     | 3216.45    | 6,43,28,941                     | 3216.45    |

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

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

|  | <b>As at<br/>March 31,<br/>2017<br/>₹ in Lakhs</b> | <i>As at<br/>March 31,<br/>2016<br/>₹ in Lakhs</i> |
|--|--|--|
| <b>Note 4:</b>                                     |  |  |
| <b>Reserves and Surplus</b>                        |  |  |
| (a) Capital Redemption Reserve:                    |  |  |
| As per last Balance Sheet.....                     | <b>12.00</b>                                       | 12.00  |
| (b) Securities Premium Account:                    |  |  |
| As per last Balance Sheet.....                     | <b>2526.90</b>                                     | 2526.90  |
| (c) Revaluation Reserve:                           |  |  |
| As per last Balance Sheet.....                     | <b>13.56</b>                                       | 13.56  |
| (d) General Reserve:                               |  |  |
| As per last balance Sheet.....                     | <b>1004.00</b>                                     | 1004.00  |
| (e) Surplus in Statement of Profit and Loss        |  |  |
| Balance at the beginning of the year.....          | <b>2369.49</b>                                     | 4090.61  |
| Less: (Loss) for the year.....                     | <b>(1980.72)</b>                                   | (1140.41)  |
|  | <b>388.77</b>                                      | 2950.20  |
| Less: Proposed Dividend on Equity Shares .....     |  | 482.47   |
| Corporate Tax on Dividend [Refer Note 27(p)] ..... |  | 98.24  |
|  |  | 580.71   |
| Closing Balance .....                              | <b>388.77</b>                                      | 2369.49  |
| Total.....   | <b>3945.23</b>                                     | 5925.95  |

**Note 5:**

**Long-Term Borrowings (secured)**

|   |                |         |
|---|----------------|---------|
| Term Loan from Kotak Mahindra Investments Limited | <b>1875.00</b> | 2500.00 |
| Less: Current maturities [Refer Note 8(b) below]  | <b>1875.00</b> | —       |
|   |                | 2500.00 |

The principal terms of repayment are as follows:

- Principal to be paid in 4 quarterly installments starting from 13th month of disbursement date. Loan has been disbursed on December 23, 2015.
- Rate of Interest is 16% p.a. and shall be payable on monthly basis.
- The Company has created charge by registered mortgage creating first and exclusive security on building (Stanrose Apartments) and plot of land admeasuring approx.1937.31 sq.mtrs situated at Prabhadevi, Mumbai-400025.

|           |   |         |
|-----------|---|---------|
| Total.... | — | 2500.00 |
|-----------|---|---------|



# STANDARD INDUSTRIES LTD.

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

|  | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|--|--|
| <b>Note 6:</b>   |  |  |
| <b>Long-Term Provisions</b>  |  |  |
| (a) Provision for employee benefits  |  |  |
| – For Compensated Absences .....   | 1.54                                     | 1.37                                     |
| – For Gratuity [Refer Note 27(m)].....   | 22.57                                    | 22.57                                    |
| Total....  | <u>24.11</u>                             | <u>23.94</u>                             |
| <b>Note:</b>   |  |  |
| The Company did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses.   |  |  |
| <b>Note 7:</b>   |  |  |
| <b>Trade Payables</b>  |  |  |
| The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly. |  |  |
| <b>Note 8:</b>   |  |  |
| <b>Other Current Liabilities</b>   |  |  |
| (a) Unpaid Dividends .....   | 43.62                                    | 39.83                                    |
| (b) Current maturities of long-term borrowings [Refer Note 5 above]  | 1875.00                                  | —  |
| (c) Interest Accrued but not due on borrowings   | 30.58                                    | —  |
| (d) Other Payables   |  |  |
| (i) Statutory Liabilities .....  | 199.90                                   | 192.18                                   |
| (ii) Payable on account of Fixed Assets.....   | 101.57                                   | 136.60                                   |
| (iii) Deposits Received .....  | —  | 1650.00                                  |
| (iv) Advance from Customers .....  | 9.49                                     | 15.02                                    |
| (v) Advance against property under development [Refer Note 27(n)] .....  | 5500.00                                  | —  |
| (vi) Others [Refer Note below].....  | 16.03                                    | 68.48                                    |
| Total....  | <u>7776.19</u>                           | <u>2102.11</u>                           |
| <b>Note:</b>   |  |  |
| Includes amount aggregating to ₹ Nil (Previous year ₹ 14.28 lakhs relating to the refund of Income-tax received by the company for Assessment year 2005-06)  |  |  |
| <b>Note 9:</b>   |  |  |
| <b>Short-term Provisions</b>   |  |  |
| (a) Provision for employee benefits  |  |  |
| (i) For Compensated Absences .....   | 31.56                                    | 31.53                                    |
| (ii) For Gratuity [Refer Note 27(m)] .....   | 5.06                                     | 5.06                                     |
| (b) Others:  |  |  |
| (i) For Income-tax (Net of Provisions) .....   | —  | 47.61                                    |
| (ii) Proposed Dividend on Equity shares [Refer Note 27(p)] .....   |  | 482.47                                   |
| (iii) Corporate Dividend Tax [Refer Note 27(p)] .....  |  | 98.24                                    |
| (iv) For Disputed Rent [Refer Note 12 and 27(a)(vii)] .....  | 583.66                                   | 583.66                                   |
| Total....  | <u>620.28</u>                            | <u>1248.57</u>                           |

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

**Note 10:**

**FIXED ASSETS**

₹ in Lakhs

| Particulars                        | GROSS BLOCK         |              |             |                      | ACCUMULATED DEPRECIATION |              |             |                      | NET BLOCK            |
|------------------------------------|---------------------|--------------|-------------|----------------------|--------------------------|--------------|-------------|----------------------|----------------------|
|                                    | As at April 1, 2016 | Additions    | Deduction   | As at March 31, 2017 | Up to March 31, 2016     | For the year | Deduction   | Up to March 31, 2017 | As at March 31, 2017 |
| <b>(I) Tangible Assets (Owned)</b> |                     |              |             |                      |                          |              |             |                      |                      |
| (a) Freehold Land                  | 720.27              | —            | —           | 720.27               | —                        | —            | —           | —                    | 720.27               |
| (Previous Year).....               | (24.42)             | (695.85)     | —           | (720.27)             | —                        | —            | —           | —                    | (720.27)             |
| (b) Buildings (Also Refer Note 5)  | 1425.67             | —            | —           | 1425.67              | 257.60                   | 23.39        | —           | 280.99               | 1144.68              |
| (Previous Year).....               | (1425.67)           | —            | —           | (1425.67)            | (234.21)                 | (23.39)      | —           | (257.60)             | (1168.07)            |
| (c) Plant and Equipment            | 190.97              | 10.43        | —           | 201.40               | 135.03                   | 11.85        | —           | 146.88               | 54.52                |
| (Previous Year).....               | (190.34)            | (0.77)       | (0.14)      | (190.97)             | (123.10)                 | (11.97)      | (0.04)      | (135.03)             | (55.94)              |
| (d) Furniture and Fixtures         | 188.96              | 4.37         | —           | 193.33               | 134.49                   | 10.42        | —           | 144.91               | 48.42                |
| (Previous Year).....               | (188.96)            | —            | —           | (188.96)             | (119.50)                 | (14.99)      | —           | (134.49)             | (54.47)              |
| (e) Office Equipments              | 62.86               | 1.33         | —           | 64.19                | 52.57                    | 4.06         | —           | 56.63                | 7.56                 |
| (Previous Year).....               | (62.55)             | (0.60)       | (0.29)      | (62.86)              | (45.79)                  | (7.04)       | (0.26)      | (52.57)              | (10.29)              |
| (f) Vehicles                       | 475.92              | —            | 3.51        | 472.41               | 396.29                   | 33.74        | 3.33        | 426.70               | 45.71                |
| (Previous Year).....               | (503.23)            | —            | (27.31)     | (475.92)             | (360.92)                 | (61.32)      | (25.95)     | (396.29)             | (79.63)              |
| <b>Total</b>                       | <b>3064.65</b>      | <b>16.13</b> | <b>3.51</b> | <b>3077.27</b>       | <b>975.98</b>            | <b>83.46</b> | <b>3.33</b> | <b>1056.11</b>       | <b>2021.16</b>       |
| (Previous Year).....               | (2395.17)           | (697.22)     | (27.74)     | (3064.65)            | (883.52)                 | (118.71)     | (26.25)     | (975.98)             | (2088.67)            |

Note:

Buildings include ₹ 1158.36 lakhs being the cost of ownership flats. The Company holds 155 Shares of the aggregate face value of ₹ 0.08 lakh in Co-operative Societies under the bye-laws of Societies. The shares in respect of certain flats are yet to be received.

**Note 11:**

**Non-Current Investments (At Cost)**

Other Investments (non-trade)

Investments in Equity shares

**(I) Of Subsidiaries (Unquoted)**

|   |         |       |
|---|---------|-------|
| (a) Standard Salt Works Limited [Refer Note 27(I)]  |         |       |
| 5,84,000 (Previous year 223) Equity Shares of the face value of ₹ 100/- each fully paid-up.....           | 5463.52 | 0.89  |
| Nil (Previous year 46,777) Equity Shares of the face value of ₹ 100/- each ₹ 30/- per share paid-up ..... | —       | 59.89 |
| (b) Mafatlal Enterprises Limited  |         |       |
| 50,007 Equity Shares of the face value of ₹ 10/- each fully paid-up.....                                  | 5.00    | 5.00  |
|   | 5468.52 | 65.78 |

**(II) Of Other Companies (Quoted)**

|  |       |       |
|--|-------|-------|
| (a) Nocil Limited                                      |       |       |
| 13,320 Equity Shares of face value of ₹ 10/- each .... | 0.17  | 0.17  |
| (b) Stanrose Mafatlal Investment and Finance Limited   |       |       |
| 19,009 Equity Shares of face value of ₹ 10/- each..... | 19.15 | 19.15 |
|  | 19.32 | 19.32 |

# STANDARD INDUSTRIES LTD.

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

|  | ₹ in Lakhs  | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|-------------|--|--|
| <b>(III) Of Other Companies (Unquoted)</b>           |             |  |  |
| (a) Stanrose Mafatlal Lubechem Limited               |             |  |  |
| 200 Equity Shares of face value of ₹ 5/- each* ..... | —           |  | —  |
| (b) Syngenta India Limited                           |             |  |  |
| 2,000 Equity Shares of face value of ₹ 10/-each..... | <u>8.69</u> |  | <u>8.69</u>                              |
|  |             | <u>8.69</u>                              | <u>8.69</u>                              |
| Total.....   |             | <u><u>5496.53</u></u>                    | <u><u>93.79</u></u>                      |

Note:

|   | ₹ in Lakhs | Cost<br>₹ in Lakhs | Market Value<br>₹ in Lakhs |
|---|------------|--------------------|----------------------------|
| Aggregate of quoted investments.....    |            | 19.32              | 43.48                      |
| Previous year .....                     |            | 19.32              | 30.00                      |
| Aggregate of unquoted investments ..... |            | 5477.21            |                            |
| Previous year .....                     |            | 74.47              |                            |
| Total.....                              |            | <u>5496.53</u>     |                            |
| Previous year.....                      |            | <u>93.79</u>       |                            |

\* The cost of these shares as on March 31, 2017/March 31, 2016 is ₹ 1

|  | ₹ in Lakhs    | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|---------------|--|--|
| <b>Note 12:</b>  |               |  |  |
| <b>Long-Term Loans and Advances</b>  |               |  |  |
| <b>(Unsecured)</b>   |               |  |  |
| (a) Security Deposits.....   |               | 23.47                                    | 23.47                                    |
| (b) Loan to subsidiary companies [Refer Note 27(d),(k) and (l)] .....  |               | —  | 3961.37                                  |
| (c) Receivable from Group company .....  |               | 197.74                                   | 197.74                                   |
| (d) Advance Tax (Net of Provisions).....   |               | 96.61                                    | 306.40                                   |
| (e) Amounts deposited against disputed rent [Refer Note 9 and 27(a)(vii)] .....                                  |               | 1153.26                                  | 1153.26                                  |
| (f) Other Loan and Advances  |               |  |  |
| (i) Balance with Government authorities<br>(Includes deposit paid under protest to Excise authorities etc.)..... |               | 183.14                                   | 325.37                                   |
| (ii) Advance to creditors:   |               |  |  |
| — Considered good .....  |               | 9.83                                     | 105.88                                   |
| — Considered doubtful.....   | 197.96        |  | 109.88                                   |
| Less: Provision.....   | <u>197.96</u> |  | <u>109.88</u>                            |
|  |               | —  | —  |
| (iii) Capital Advances .....   |               | 520.00                                   | —  |
| (iv) Others (Refer Note (i) below) .....   |               | 158.96                                   | 144.40                                   |
|  |               | <u>2343.01</u>                           | <u>6217.89</u>                           |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

|  | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|--|--|
| <b>Note:</b>   |  |  |
| (i) Includes Income-tax refund receivable for various Assessment years. The Company has preferred appeal against Assessment orders passed by the Income-tax department for various adjustments/ disallowances. |  |  |
| (ii) Considered good.....  | 2343.01                                  | 6217.89                                  |
| Considered doubtful.....   | 197.96                                   | 109.88                                   |
| Total.....   | <u>2540.97</u>                           | <u>6327.77</u>                           |

**Note 13:**

**Other Non-Current Assets**

(Unsecured, considered good)

|   |               |                |
|---|---------------|----------------|
| (a) Interest accrued on unsecured loan to subsidiary [Refer Note 27(d) & (l)] ..... | —             | 983.91         |
| (b) Fixed Deposits with banks-under lien .....                                      | 105.23        | 105.23         |
| Total.....  | <u>105.23</u> | <u>1089.14</u> |

**Note 14:**

**Current Investments**

**(l) Investments in Equity (quoted at lower of cost and fair value)**

|   |        |   |
|---|--------|---|
| (a) HDFC Bank<br>5,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....                          | 64.25  | — |
| (b) HDFC Ltd.<br>5,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....                          | 68.68  | — |
| (c) Finolex Industries Ltd.<br>5,000 (Previous year Nil) Equity Shares of face value of ₹ 10/- each .....           | 24.40  | — |
| (d) Bajaj Finvest Ltd.<br>5,000 (Previous year Nil) Equity Shares of face value of ₹ 5/- each .....                 | 172.49 | — |
| (e) Axis Bank Ltd.<br>2,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....                     | 10.62  | — |
| (f) Larsen & Toubro Ltd.<br>1,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....               | 15.13  | — |
| (g) Maruti Suzuki India Ltd.<br>1,325 (Previous year Nil) Equity Shares of face value of ₹ 5/- each .....           | 76.80  | — |
| (h) Sun Pharmaceutical Industries Ltd.<br>2,000 (Previous year Nil) Equity Shares of face value of ₹ 1/- each ..... | 15.04  | — |
| (i) ICIPI Bank Ltd.<br>10,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....                   | 28.31  | — |

# STANDARD INDUSTRIES LTD.

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

|  | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
|--|----------------------------|----------------------------|
| ₹ in Lakhs   | ₹ in Lakhs                 | ₹ in Lakhs                 |
| (j) Infosys Ltd.<br>11,500 ( <i>Previous year Nil</i> ) Equity Shares of face value of ₹ 5/- each .....                      | 113.84                     | —                          |
| (k) ITC Ltd.<br>10,000 ( <i>Previous year Nil</i> ) Equity Shares of face value of ₹ 1/- each .....                          | 27.17                      | —                          |
| (l) Tata Consultancy Services Ltd.<br>2,000 ( <i>Previous year Nil</i> ) Equity Shares of face value of ₹ 1/- each .....     | 48.54                      | —                          |
|  | <u>665.27</u>              | <u>—</u>                   |
| <b>(II) Investments in Mutual Funds (Unquoted at lower of cost and fair value)</b>   |                            |                            |
| (a) HDFC Cash Management Fund<br>42,335.744 units ( <i>Previous year 40,436.644</i> ) of ₹ 10/- each .....                   | 4.28                       | 4.06                       |
| (b) Templeton India Cash Management Fund<br>49,789.270 units ( <i>Previous year 346,548.710</i> ) of ₹ 10/- each .....       | 4.98                       | 34.68                      |
| (c) Birla Sun Life Cash Manager Fund<br>42,254.364 units ( <i>Previous year 7,891.834</i> ) of ₹ 100/- each .....            | 42.67                      | 7.91                       |
| (d) HDFC Liquid Fund<br>2,112.357 units ( <i>Previous year 11,919.860</i> ) of ₹ 1000/- each .....                           | 62.02                      | 350.00                     |
| (e) ICICI Prudential Liquid Fund<br>6,757.272 units ( <i>Previous year 158,943.814</i> ) of ₹ 100/- each .....               | 14.88                      | 350.00                     |
| (f) Kotak Floater Short Term Growth (Regular plan)<br>1,938 units ( <i>Previous year 30,718.154</i> ) of ₹ 1000/- each ..... | 47.32                      | 750.00                     |
| (g) Kotak Floater – Short Term – Daily Dividend<br>42,276.225 units ( <i>Previous year Nil</i> ) of ₹ 1000/- each .....      | 427.67                     | —                          |
| (h) Kotak Low Duration Fund Standard-Weekly Dividend<br>39,871.906 units ( <i>Previous year Nil</i> ) of ₹ 1000/- each ..... | 405.15                     | —                          |
|  | <u>1008.97</u>             | <u>1496.65</u>             |
| Total.....   | <u>1674.24</u>             | <u>1496.65</u>             |
| Note:  |                            |                            |
|  | <b>Cost</b>                | <b>Market Value</b>        |
|  | <b>₹ in Lakhs</b>          | <b>₹ in Lakhs</b>          |
| Aggregate of quoted investments.....   | 665.27                     | 721.46                     |
| Previous year .....  | —                          | —                          |
| Aggregate of unquoted investments .....  | 1008.97                    |                            |
| Previous year .....  | 1496.65                    |                            |
| Total.....   | <u>1674.24</u>             |                            |
| Previous year.....   | <u>1496.65</u>             |                            |

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

|  | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
|--|----------------------------|----------------------------|
| ₹ in Lakhs   | ₹ in Lakhs                 | ₹ in Lakhs                 |
| <b>Note 15:</b>  |                            |                            |
| <b>Inventories</b>   |                            |                            |
| (at lower of cost and net realisable value)  |                            |                            |
| Stock-in-trade (Traded Goods) – Cloth and Made-up .....  | <b>56.84</b>               | 65.14                      |
| Total.....   | <b>56.84</b>               | 65.14                      |
| <b>Note 16:</b>  |                            |                            |
| <b>Property under Development</b>  |                            |                            |
| (at lower of cost and net realisable value)  |                            |                            |
| Land development including related Capital Work-In-Progress [Refer Note 27(n)].....  | <b>3300.57</b>             | 3300.57                    |
| Total.....   | <b>3300.57</b>             | 3300.57                    |
| <b>Note 17:</b>  |                            |                            |
| <b>Trade Receivables</b>   |                            |                            |
| (Unsecured)  |                            |                            |
| (a) Outstanding for a period exceeding six months from the date they were due for payment:   |                            |                            |
| — Considered good .....  | <b>91.35</b>               | 106.31                     |
| — Considered doubtful .....  | <b>364.05</b>              | 364.05                     |
| Less : Provision.....  | <b>364.05</b>              | 364.05                     |
|  | —                          | —                          |
| (b) Others (considered good).....  | <b>25.18</b>               | 36.49                      |
| Total.....   | <b>116.53</b>              | 142.80                     |
| <b>Note 18:</b>  |                            |                            |
| <b>Cash and Cash Equivalents</b>   |                            |                            |
| (Refer note below)   |                            |                            |
| (a) Cash on hand.....  | <b>8.05</b>                | 4.79                       |
| (b) Balance with Banks   |                            |                            |
| (i) In current accounts .....  | <b>325.55</b>              | 223.47                     |
| (ii) In earmarked accounts   |                            |                            |
| – Unpaid dividend accounts.....  | <b>43.63</b>               | 39.84                      |
| (iii) In deposits accounts.....  | <b>141.13</b>              | 213.47                     |
|  | <b>510.31</b>              | 476.78                     |
| Total.....   | <b>518.36</b>              | 481.57                     |
| <b>Note:</b>   |                            |                            |
| Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3, aggregate (excluding earmarked accounts): ..... | <b>474.73</b>              | 441.73                     |

# STANDARD INDUSTRIES LTD.

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

|   | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|---|--|--|
| <b>Note 19:</b>   |  |  |
| <b>Short-Term Loans and Advances</b>                                  |  |  |
| (Unsecured, considered good)  |  |  |
| (a) Loan to subsidiary company [Refer Note 27(d), (k) and (l)].....   | —  | 100.89                                   |
| (b) Advances to subsidiary companies [Refer Note 27(d) and (k)] ..... | 0.28                                     | 0.27                                     |
| (c) Prepaid expenses.....   | 16.77                                    | 15.89                                    |
| (d) Other Short-term Advances   |  |  |
| (i) Advance to creditors .....  | 43.67                                    | 22.47                                    |
| (ii) Others .....   | 13.73                                    | 20.97                                    |
| Total.....  | <u>74.45</u>                             | <u>160.49</u>                            |

### Note 20:

#### Other current assets

(Unsecured, considered good)

|   |             |              |
|---|-------------|--------------|
| Interest accrued but not due on bank deposits etc. .... | 3.27        | 8.53         |
| Receivable from a Group Company .....                   | —           | 7.27         |
| Total.....  | <u>3.27</u> | <u>15.80</u> |

|                                    | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|------------------------------------|---|---|
| <b>Note 21:</b>                    |   |   |
| <b>Revenue from Operations</b>     |   |   |
| <b>(I) Sale of traded goods</b>    |   |   |
| (a) Cloth .....                    | 709.49  | 604.04  |
| (b) Made-Ups .....                 | 7.70  | 8.51  |
|                                    | <u>717.19</u>                                 | <u>612.55</u>                                 |
| <b>(II) Other Operating Income</b> |   |   |
| Royalty received .....             | 18.00   | 17.44   |
| Total.....                         | <u>735.19</u>                                 | <u>629.99</u>                                 |

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

|   | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|---|---|---|
| <b>Note 22:</b>   |   |   |
| <b>Other Income</b>                                       |   |   |
| (a) Interest Income                                       |   |   |
| On Fixed Deposits with Banks.....                         | 21.70   | 53.48   |
| On Loan to Subsidiary .....                               | 294.73  | 336.84  |
| On Income-tax refund .....                                | 17.32   | —   |
| On Others (security deposits etc.) .....                  | 1.26  | 1.48  |
|   | 335.01  | 391.80  |
| (b) Dividend on non-current (long-term) investments ..... | 1.55  | 1.37  |
| (c) Dividend on current investments .....                 | 60.11   | 8.56  |
| (d) Other Non-operating Income                            |   |   |
| (i) Sundry credit balances written back.....              | 8.94  | 9.66  |
| (ii) Profit on sale of Fixed Assets .....                 | —   | 1.62  |
| (iii) Profit on sale current Investments (unquoted) ..... | 54.22   | —   |
| (iv) Provision for doubtful debts written back .....      | —   | 17.68   |
| (v) Miscellaneous income.....                             | 1.12  | 2.39  |
|   | 64.28   | 31.35   |
| Total.....  | 460.95  | 433.08  |
| <b>Note 23:</b>   |   |   |
| <b>Changes in Inventories of Stock in Trade</b>           |   |   |
| (a) Inventories at the end of year.....                   | 56.84   | 65.14   |
| (b) Inventories at the beginning of year.....             | 65.14   | 39.01   |
| Net Decrease/(Increase).....                              | 8.30  | (26.13)                                       |
| <b>Note 24:</b>   |   |   |
| <b>Employee benefit expenses</b>                          |   |   |
| (a) Salaries .....  | 139.61  | 140.77  |
| (b) Contribution to Provident and other Funds.....        | 17.47   | 17.04   |
| (c) Staff Welfare expense.....                            | 25.48   | 30.21   |
| Total.....  | 182.56  | 188.02  |
| <b>Note 25:</b>   |   |   |
| <b>Finance Cost</b>                                       |   |   |
| Interest on Borrowing .....                               | 400.00  | 94.47   |
| Total.....  | 400.00  | 94.47   |



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

|  | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|--|---|---|
| <b>Note 26:</b>  |   |   |
| <b>Other expenses</b>  |   |   |
| (a) Packing Material consumed.....   | 1.87  | 3.66  |
| (b) Electricity .....  | 36.94   | 40.10   |
| (c) Rent.....  | 16.09   | 16.87   |
| (d) Leave and Licence fees [Refer Note 27(e)] .....  | 108.69  | 109.45  |
| (e) Charges for Corporate Office service and facilities<br>[Refer Note 27(d)] .....              | 150.28  | 148.94  |
| (f) Repairs:   |   |   |
| To Buildings .....   | 2.80  | 6.94  |
| To Machinery .....   | 17.99   | 17.46   |
| To Others .....  | 21.13   | 13.45   |
|  | <b>41.92</b>                                  | <b>37.85</b>                                  |
| (g) Insurance .....  | 4.00  | 4.87  |
| (h) Rates and Taxes (Net of refund of excess recovery of<br>property tax of ₹ 53.27 lakhs) ..... | 2.55  | 36.63   |
| (i) Stationery, Printing, Advertisement, Postage and<br>Telegrams etc. ....                      | 55.72   | 67.37   |
| (j) Donations.....   | 7.54  | 72.54   |
| (k) Legal and Professional fees [Also Refer Note 27(b)] .....                                    | 138.28  | 116.01  |
| (l) Consulting fees.....   | 140.58  | 128.04  |
| (m) Loss on sale of Fixed Assets.....  | 0.08  | 0.01  |
| (n) Directors' Fees.....   | 13.33   | 15.91   |
| (o) Travelling and Conveyance Expenses.....  | 19.74   | 39.67   |
| (p) Security Charges .....   | 74.26   | 72.95   |
| (q) Vehicle Expenses .....   | 73.81   | 62.57   |
| (r) Temporary Manpower.....  | 62.27   | 59.87   |
| (s) Compensation expenses relating to property project<br>under development .....                | 651.32  | —   |
| (t) Provision for Doubtful advances.....   | 88.08   | —   |
| (u) Miscellaneous Expenses.....  | 151.54  | 175.82  |
| Total.....   | <b>1838.89</b>                                | <b>1,209.13</b>                               |

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

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

|   | <b>As at<br/>March 31,<br/>2017<br/>₹ in Lakhs</b> | <i>As at<br/>March 31,<br/>2016<br/>₹ in Lakhs</i> |
|---|--|--|
| <b>Note 27:</b>   |  |  |
| <b>Additional information to the financial statements and disclosure under Accounting Standards</b>   |  |  |
| <b>(a) Contingent Liabilities in respect of:</b>  |  |  |
| (i) Claims against the Company not acknowledged as debts  |  |  |
| 1. ESIC claims in respect of contractor's workers .....   | <b>19.22</b>                                       | 19.22  |
| 2. Claims in respect of labour matters.....   | <b>8.58</b>  | 120.21   |
| 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  |
| (iii) Excise Duty, etc.<br>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.....   | <b>545.46</b>                                      | 545.46   |
| (iv) Guarantees given by Bank on behalf of Company to Government authority.....   | <b>105.23</b>                                      | 105.23   |
| (v) The Government of Maharashtra vide Notification No.ELD-2000/CR-1022(ii) NRG-1 dated April 1, 2000 and No.ELD-2001/CR-1069/ NRG-1 dated April 4, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. The Hon'ble High Court vide Order dated February 23, 2010 quashed and set aside the aforesaid Notification. Accordingly, the Company during the year 2009/2010, has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard. .... | <b>1375.74</b>                                     | 1375.74  |
| (vi) Disputed demands of Income Tax<br>These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested. ....  | <b>164.88</b>                                      | 39.95  |
| (vii) The Company had disputed the claim for rent, mesne profit and related interest claimed by the owner of the premises which were used by the Company in earlier years. On the application of the Company, the Hon'able High Court of Judicature at Bombay granted a stay against the unfavorable Order of the Small Causes Court and directed the Company to deposit an amount of ₹ 1,153.26 lakhs pending resolution of the related Writ Petition filed by the Company, which the Company has deposited. Out of the above the Company has already provided/paid for amounts aggregating ₹ 635.39 lakhs and the balance amount of ₹ 517.87 lakhs has not been provided as the Company is hopeful of succeeding in its Petition.....   | <b>1364.17</b>                                     | 1364.17  |

# STANDARD INDUSTRIES LTD.

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

|  | As at<br>March 31,<br>2017<br>₹ in Lakhs | As at<br>March 31,<br>2016<br>₹ in Lakhs |
|--|--|--|
| <b>Note 27:</b>  |  |  |
| <b>Additional information to the financial statements and disclosure under Accounting Standards (Contd.)</b> |  |  |
| (b) Payments to Auditors*:   |  |  |
| (i) As Auditors .....  | 11.75                                    | 11.75                                    |
| (ii) For Tax Audit .....   | 2.50                                     | 2.50                                     |
| (iii) In respect of certification, etc. ....   | 1.15                                     | 1.45                                     |
| (iv) For Taxation matters.....   | 28.58                                    | 10.00                                    |
| (v) For Company Law matters .....  | 7.35                                     | —  |
| (vi) For expenses.....   | 0.32                                     | 0.22                                     |
| (vii) For service tax.....   | 7.72                                     | 3.78                                     |
|  | <b>59.37</b>                             | <b>29.70</b>                             |

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

### (c) Segment Information

Information about primary business segments.

The Company's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading

|   | Real Estate | Trading | Total<br>(₹ in lakhs) |
|---|-------------|---------|-----------------------|
| REVENUE.....  | 18.00       | 717.19  | 735.19                |
|   | 17.44       | 612.55  | 629.99                |
| <b>RESULT:</b>  |             |         |                       |
| Segment Result .....                                    | (1204.87)   | 8.37    | (1,196.50)            |
|   | (194.78)    | (12.83) | (207.61)              |
| Unallocated Corporate Expenses .....                    |             |         | (1259.43)             |
|   |             |         | (1365.87)             |
| Operating Loss .....                                    |             |         | (2455.93)             |
|   |             |         | (1573.48)             |
| Unallocated Income.....                                 |             |         | 460.95                |
|   |             |         | 433.07                |
| Tax adjustments in respect of earlier years (net) ..... |             |         | 14.26                 |
|   |             |         | —                     |
| (Loss) after tax.....                                   |             |         | (1980.72)             |
|   |             |         | (1140.41)             |

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

**Note 27:**

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

(c) Segment Information (Contd.)

|   | (₹ in lakhs)       |                |                 |
|---|--------------------|----------------|-----------------|
|   | <u>Real Estate</u> | <u>Trading</u> | <u>Total</u>    |
| <b>OTHER INFORMATION:</b>               |                    |                |                 |
| Segment Assets.....                     | <b>7,838.69</b>    | <b>193.04</b>  | <b>8031.73</b>  |
|   | <i>7,487.06</i>    | <i>235.95</i>  | <i>7723.01</i>  |
| Unallocated Corporate Assets .....      |                    |                | <b>7678.46</b>  |
|   |                    |                | <i>7429.50</i>  |
| Total Assets.....                       |                    |                | <b>15710.19</b> |
|   |                    |                | <i>15152.51</i> |
| Segment Liabilities.....                | <b>7,842.38</b>    | <b>3.12</b>    | <b>7845.50</b>  |
|   | <i>4,599.18</i>    | <i>30.15</i>   | <i>4629.33</i>  |
| Unallocated Corporate Liabilities ..... |                    |                | <b>703.01</b>   |
|   |                    |                | <i>1380.78</i>  |
| Total Liabilities.....                  |                    |                | <b>8548.51</b>  |
|   |                    |                | <i>6010.11</i>  |
| Capital Expenditure .....               | <b>571.16</b>      | —              | <b>571.16</b>   |
|   | <i>697.22</i>      | —              | <i>697.22</i>   |
| Depreciation.....                       | <b>83.44</b>       | <b>0.02</b>    | <b>83.46</b>    |
|   | <i>117.76</i>      | <i>0.95</i>    | <i>118.71</i>   |

Note:

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

(d) Related Party Disclosure:

(i) Names of related parties where control exists:

| <b>Name of the related party</b> | <b>Relationship</b> |
|----------------------------------|---------------------|
| Standard Salt Works Limited      | Subsidiary          |
| Mafatlal Enterprises Limited     | Subsidiary          |

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

|                              |  |
|------------------------------|--|
| Standard Salt Works Limited  | Subsidiary   |
| Mafatlal Enterprises Limited | Subsidiary   |
| Shanudeep Private Limited    | Enterprise over which key management personnel and their relatives are able to exercise significant influence. |

| <b>Name of the related party</b> | <b>Relationship</b>      |
|----------------------------------|--------------------------|
| Mr. Pradeep R. Mafatlal          | Key Management Personnel |
| Mrs. Divya P. Mafatlal           | Key Management Personnel |
| Mr. D. H. Parekh                 | Key Management Personnel |

# STANDARD INDUSTRIES LTD.

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

### Note 27:

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

(d) Related Party Disclosure: (Contd.)

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

(₹ in lakhs)

| <u>Nature of transactions</u>                                     | <u>Subsidiaries</u>   | <u>Enterprise over which key management personnel and their relatives are able to exercise significant influence</u> | <u>Key Management personnel</u> | <u>Total</u>              |
|---|-----------------------|--|---------------------------------|---------------------------|
| <b>Leave and Licence fees</b>                                     |                       |  |                                 |                           |
| Shanudeep Private Limited .....                                   | —<br>(—)              | <b>108.69</b><br>(109.45)  | —<br>(—)                        | <b>108.69</b><br>(109.45) |
| <b>Corporate Office and Service facilities</b>                    |                       |  |                                 |                           |
| Shanudeep Private Limited .....                                   | —<br>(—)              | <b>150.28</b><br>(148.94)  | —<br>(—)                        | <b>150.28</b><br>(148.94) |
| <b>Payment of common expenses</b>                                 |                       |  |                                 |                           |
| Shanudeep Private Limited .....                                   | —<br>(—)              | <b>15.28</b><br>(15.86)  | —<br>(—)                        | <b>15.28</b><br>(15.86)   |
| <b>Conversion of loan (including interest) into Equity Shares</b> |                       |  |                                 |                           |
| Standard Salt Works Limited .....                                 | <b>5370.00</b><br>(—) | —<br>(—)   | —<br>(—)                        | <b>5370.00</b><br>(—)     |
| <b>Advances Given</b>   |                       |  |                                 |                           |
| Mafatlal Enterprises Limited .....                                | <b>0.01</b><br>(0.05) | —<br>(—)   | —<br>(—)                        | <b>0.01</b><br>(0.05)     |
| <b>Investment in Subsidiary Company</b>                           |                       |  |                                 |                           |
| Standard Salt Works Limited .....                                 | <b>32.74</b><br>(—)   | —<br>(—)   | —<br>(—)                        | <b>32.74</b><br>(—)       |
| <b>Managerial Remuneration</b><br>(including perquisites)         |                       |  |                                 |                           |
| Mr. D. H. Parekh .....  | —<br>(—)              | —<br>(—)   | <b>35.68</b><br>(42.62)         | <b>35.68</b><br>(42.62)   |
| <b>Directors' Sitting Fees</b>                                    |                       |  |                                 |                           |
| Mr. Pradeep R. Mafatlal .....                                     | —<br>(—)              | —<br>(—)   | <b>1.20</b><br>(1.80)           | <b>1.20</b><br>(1.80)     |
| Mrs. Divya P. Mafatlal .....                                      | —<br>(—)              | —<br>(—)   | <b>0.80</b><br>(0.60)           | <b>0.80</b><br>(0.60)     |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 27:

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

(d) Related Party Disclosure: (Contd.)

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

(₹ in lakhs)

| <u>Nature of transactions</u>                   | <u>Subsidiaries</u>   | <u>Enterprise over which key management personnel and their relatives are able to exercise significant influence</u> | <u>Key Management personnel</u> | <u>Total</u>          |
|---|-----------------------|--|---------------------------------|-----------------------|
| <b>Outstanding balance as on March 31, 2017</b> |                       |  |                                 |                       |
| <b>Standard Salt Works Limited</b>              |                       |  |                                 |                       |
| Unsecured Loan .....                            | —<br>(4062.26)        | —<br>(—)   | —<br>(—)                        | —<br>(4062.26)        |
| Interest accrued and not due.....               | —<br>(983.91)         | —<br>(—)   | —<br>(—)                        | —<br>(983.91)         |
| <b>Mafatlal Enterprises Limited</b>             |                       |  |                                 |                       |
| Advances receivable.....                        | <b>0.28</b><br>(0.27) | —<br>(—)   | —<br>(—)                        | <b>0.28</b><br>(0.27) |

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.

(e) Assets taken on operating lease: (Leave and Licence)

Amount of lease rentals (excluding Service Tax) in respect of cancellable operating leases recognised in the Statement of Profit and Loss is ₹ **97.20 lakhs** (Previous year ₹ 97.20 lakhs)

(f) Earnings per Share is calculated as follows:

| Particulars  | Year ended<br>March 31,<br>2017<br>₹ in Lakhs | Year ended<br>March 31,<br>2016<br>₹ in Lakhs |
|--|---|---|
| (Loss) for the year available for equity shareholders (₹ in lakhs) ..... | <b>(1980.72)</b>                              | (1140.41)                                     |
| Weighted average number of Equity Shares-Basic and Diluted (Nos.).....   | <b>6,43,28,941</b>                            | 6,43,28,941                                   |
| Earnings per share (₹) - Basic and Diluted .....                         | <b>(3.08)</b>                                 | (1.77)  |
| Nominal value per share (₹) .....  | <b>5.00</b>                                   | 5.00  |

# STANDARD INDUSTRIES LTD.

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

### Note 27:

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

| Particulars   | As at           |                 |
|---|-----------------|-----------------|
|   | March 31, 2017  | March 31, 2016  |
| (g) Components of Deferred Tax Asset/(Liability)  |                 |                 |
| <b>Deferred Tax Liabilities:</b>  |                 |                 |
| Difference in Tax and Book Written Down Value of fixed assets   | (176.32)        | (173.25)        |
| <b>Total</b>  | <u>(176.32)</u> | <u>(173.25)</u> |
| <b>Deferred Tax Assets:</b>   |                 |                 |
| Unabsorbed Depreciation (restricted to the extent of Deferred Tax liability on Depreciation on account of virtual certainty) .... | 176.32          | 173.25          |
| <b>Total</b>  | <u>176.32</u>   | <u>173.25</u>   |
| <b>Deferred Tax Liability/Asset</b>   | <u>—</u>        | <u>—</u>        |

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2017 | March 31, 2016 |
| (h) Expenditure in foreign currency (on accrual basis) |                |                |
| (i) Travelling .....                                   | 6.86           | 3.33           |
| (ii) Miscellaneous Expenses.....                       | 1.88           | 2.06           |
| <b>Total.....</b>                                      | <u>8.74</u>    | <u>5.39</u>    |

(i) Value of stores and spare-parts consumed

| Particulars                         | Year ended     |               | Year ended     |               |
|-------------------------------------|----------------|---------------|----------------|---------------|
|                                     | March 31, 2017 |               | March 31, 2016 |               |
|                                     | ₹              | % of total    | ₹              | % of total    |
|                                     | in lakhs       | consumption   | in lakhs       | consumption   |
| Imported .....                      | —              | —             | —              | —             |
| Indigenous (Packing materials)..... | 1.87           | 100.00        | 3.66           | 100.00        |
| <b>Total.....</b>                   | <u>1.87</u>    | <u>100.00</u> | <u>3.66</u>    | <u>100.00</u> |

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

| Particulars  | Year ended     |  | Year ended     |  |
|--|----------------|--|----------------|--|
|  | March 31, 2017 |  | March 31, 2016 |  |
| Financial year to which dividend relates .....                                 | 2015-16        |  | 2014-15        |  |
| Number of non-resident shareholders.....                                       | 3              |  | 3              |  |
| Number of Equity Shares held by them on which dividend was due .....           | 2,50,00,087    |  | 2,50,00,087    |  |
| Amount remitted in foreign currency on account of dividends (₹ in lakhs) ..... | 187.50         |  | 187.50         |  |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 27:

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

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

| Particulars                            | ₹ in lakhs                 |                            |
|--|----------------------------|----------------------------|
|  | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
| <b>Subsidiary Companies:</b>           |                            |                            |
| (i) Mafatlal Enterprises Limited ..... | 0.28                       | 0.27                       |
| Maximum amount outstanding .....       | 0.28                       | 0.27                       |
| (ii) Standard Salt Works Limited ..... | —                          | 4062.26                    |
| Maximum amount outstanding .....       | —                          | 4062.26                    |

- (l) During the year, the unsecured loan of ₹ 5370.00 lakhs (including accrued interest of ₹ 1249.18 lakhs and business advance of ₹ 159.45 lakhs) given to Standard Salt Works Limited (SSWL) has been converted into equity shares. Consequently, the total investment in SSWL as at March 31, 2017 aggregates ₹ 5463.52 lakhs (Previous year ₹ 60.78 lakhs). The net worth of SSWL as at March 31, 2017 post aforesaid conversion has become positive.

Further, in view of the long-term strategic nature of the investment in leasehold rights to salt pans and the growth prospects of the subsidiary which is engaged in the manufacture of salt from the significant leased salt pans that it is holding, no provision for diminution in the value of the investment is considered necessary at this stage.

- (m) Employees Retirement Benefits:

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

Amount recognized in the Balance Sheet:

| Particulars                               | ₹ in lakhs                 |                            |
|---|----------------------------|----------------------------|
|   | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
| Present Value of Funded Obligations ..... | (130.68)                   | (127.03)                   |
| Fair Value of Plan Asset .....            | 140.66                     | 141.04                     |
| <b>Net Asset/(Liability)</b> .....        | <b>9.98</b>                | <b>14.01</b>               |
| <b>Amounts in the Balance Sheet</b>       |                            |                            |
| Liabilities* .....                        | (27.62)                    | (27.62)                    |
| Assets .....                              | —                          | —                          |
| <b>Net (Liability)</b> .....              | <b>(27.62)</b>             | <b>(27.62)</b>             |

\*Retained as per management assessment

Expenses to be recognised in Statement of Profit and Loss:

| Particulars   | ₹ in lakhs                      |                                 |
|---|---------------------------------|---------------------------------|
|   | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
| Current Service Cost .....                                | 0.94                            | 1.48                            |
| Interest Cost .....                                       | 9.87                            | 9.12                            |
| Expected Return on Plan Assets .....                      | (10.96)                         | (10.55)                         |
| Net Actuarial Loss/(Gain) recognized in year .....        | 4.18                            | 3.97                            |
| <b>Total included in “Employee Benefit Expense”</b> ..... | <b>4.03</b>                     | <b>4.02</b>                     |



# STANDARD INDUSTRIES LTD.

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

### Note 27:

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

| Particulars  | Year ended<br>March 31,<br>2017 | (₹ in lakhs)<br>Year ended<br>March 31,<br>2016 |
|--|---------------------------------|---|
| Reconciliation of Benefit Obligations and Plan Assets for the year:  |                                 |   |
| <b>Change in Defined Benefit Obligation</b>  |                                 |   |
| <b>Opening Defined Benefit Obligation</b> .....  | <b>127.03</b>                   | 115.44  |
| Current Service Cost .....   | <b>0.94</b>                     | 1.48  |
| Interest Cost.....   | <b>9.87</b>                     | 9.14  |
| Benefit Paid.....  | <b>(7.82)</b>                   | —   |
| Actuarial Loss/(Gain) .....  | <b>0.66</b>                     | 0.97  |
| <b>Closing Defined Benefit Obligation</b> .....  | <b>130.68</b>                   | 127.03  |
| <b>Change in the Fair Value of Assets</b>  |                                 |   |
| Opening Fair Value of Plan Assets .....  | <b>141.04</b>                   | 133.49  |
| Expected Return on Plan Assets .....   | <b>10.96</b>                    | 10.55   |
| Contributions.....   | —                               | —   |
| Benefit paid.....  | <b>(7.82)</b>                   | —   |
| Actuarial (Loss)/Gain on Plan Assets .....   | <b>(3.52)</b>                   | (3.00)  |
| <b>Closing Fair Value of Plan Assets</b> .....   | <b>140.66</b>                   | 141.04  |
| <b>The major categories of plan assets as percentage of total plan assets:</b>   |                                 |   |
| Fund is managed by Standard Industries Limited Employees' Gratuity Fund. Composition of the plan assets is as follows: |                                 |   |
| In State Government Securities .....   | <b>21.85</b>                    | 21.85   |
| In Public Sector Undertakings Bonds .....  | <b>10.86</b>                    | 10.86   |
| In Fixed Deposit and Balance with Scheduled Banks.....   | <b>67.69</b>                    | 67.29   |
| (ii) Assumptions:  |                                 |   |
| Discount rate.....   | <b>6.67%</b>                    | 7.77%   |
| Rate of increase in compensation levels of covered employees.....  | <b>4.00%</b>                    | 4.00%   |
| Rate of Return on Plan Assets Current .....  | <b>6.67%</b>                    | 7.77%   |

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

**Note 27:**

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

(iii) Experience Adjustments

(₹ in lakhs)

| Amounts for the current annual period and previous four annual periods | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Defined Benefit Obligation ....  | 130.68               | 127.03               | 115.44               | 104.32               | 119.67               |
| Plan Assets .....  | 140.66               | 141.04               | 133.49               | 98.25                | 92.05                |
| Surplus / (Deficit).....   | 9.98                 | 14.01                | 18.05                | (6.07)               | (27.62)              |
| Net Actuarial (Gains)/Losses Recognized in Year.....                   | 4.18                 | 3.29                 | (13.93)              | (23.57)              | 24.26                |
| Experience adjustments on plan liabilities (Gains)/Losses..            | 0.66                 | 0.29                 | (17.25)              | (19.30)              | 24.63                |
| Experience adjustments on plan assets Losses / (Gains)....             | 3.52                 | 3.00                 | 3.32                 | (4.27)               | (0.37)               |

(n) The Company has entered into a Memorandum of Understanding dated September 1, 2016 with Feat Properties Private Limited (FPPL) to transfer and assign all its leasehold rights in 62.25 acres of Company's leasehold property situated at Plot No.4, Trans-Thane Creek Industrial Area in the Villages of Ghansoli and Savali, Taluka/ Dist - Thane ("Property") for a consideration of ₹ 3,550,000,000 (Rupees Three hundred and fifty five crores only) receivable in installments. This transfer, assignment and consideration is subject to various conditions precedent getting satisfied (including approval of MIDC) and other terms and conditions specified in the aforesaid Memorandum of Understanding. Accordingly, FPPL has paid advance of ₹ 5500 lakhs till March 31, 2017 and has created charge on said land to the extent of ₹ 5000 lakhs.

(o) Disclosure on Specified Bank Notes (SBNs):

Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

(₹ in lakhs)

| Particulars                                  | SBN's* | Other Denomination Notes | Total |
|--|--------|--------------------------|-------|
| Closing cash in hand as on November 8, 2016  | 11.07  | 1.01                     | 12.08 |
| (+) Permitted Receipts                       | —      | 9.04                     | 9.04  |
| (-) Permitted Payments                       | —      | 6.25                     | 6.25  |
| (-) Amount deposited in Banks                | 11.07  | —                        | 11.07 |
| Closing cash in hand as on December 30, 2016 | —      | 3.80                     | 3.80  |

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016.

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

### Note 27:

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

- (p) The Board of Directors of the Company has proposed a dividend of ₹ 0.75 per equity share for the year ended March 31, 2017 (*Previous year ₹ 0.75 per equity share*) which is subject to the shareholders' approval and declaration at the ensuing Annual General Meeting.

In terms of the revision to the Accounting Standard AS 4 on 'Contingencies and Events occurring after the Balance sheet date', dividend is required to be recognised in the year when declared, and hence this proposed dividend has not been recognised in the Balance sheet as at March 31, 2017. Hitherto, proposed dividend was recognised as a provision as at the Balance sheet date. This change has resulted in Short term provisions being lower by ₹ 580.71 lakhs and Reserves being higher by ₹ 580.71 lakhs as at the year end.

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

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In terms of our report attached

For Deloitte Haskins & Sells LLP  
*Chartered Accountants*

A. SIDDHARTH  
*Partner*

*Mumbai, Dated: May 16, 2017*

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

JAYANTKUMAR R. SHAH  
*Chief Financial Officer*

*Mumbai, Dated: May 16, 2017*

For and on behalf of Board of Directors

P. R. MAFATLAL  
*Chairman*

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

} *Directors*

D. H. PAREKH  
*Executive Director*

**FORM AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)**

**Statement containing salient features of financial statement of subsidiaries/associate companies/ joint ventures**

**Part "A": Subsidiaries**

(₹ in lakhs)

| <b>Sr. No.</b> | <b>Particular</b>  | <b>Standard Salt Works Limited</b> | <b>Mafatlal Enterprises Limited</b> |
|----------------|--|------------------------------------|-------------------------------------|
| a.             | Share capital  | 584.00                             | 5.00                                |
| b.             | Reserves & surplus   | (355.11)                           | (3.63)                              |
| c.             | Total Assets   | 302.73                             | 1.81                                |
| d.             | Total Liabilities  | 73.83                              | 0.43                                |
| e.             | Details of Investments (except investment in subsidiaries) | 0.54                               | —                                   |
| f.             | Turnover   | 240.30                             | —                                   |
| g.             | (Loss)/Profit before taxation                              | (323.20)                           | (0.51)                              |
| h.             | Provision for taxation                                     | —                                  | —                                   |
| i.             | (Loss)/Profit after taxation                               | (323.20)                           | (0.51)                              |
| j.             | Proposed Dividend  | —                                  | —                                   |
| k.             | % of shareholding  | 100%                               | 100%                                |
| l.             | Names of subsidiaries which are yet to commence operation  | Nil                                | Nil                                 |

**Part "B": Associates and Joint Ventures**

**Statement pursuant to section 129(3) of Companies Act, 2013 related to Associate Companies and Joint Ventures**

**Not applicable**

For and on behalf of Board of Directors

P. R. MAFATLAL  
Chairman

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

} Directors

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

JAYANTKUMAR R. SHAH  
Chief Financial Officer

D. H. PAREKH  
Executive Director

Mumbai, Dated: May 16, 2017

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
STANDARD INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Standard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account

the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 304.52 lakhs as at March 31, 2017, total revenues of ₹ 240.31 lakhs and net cash (outflows) amounting to

₹ 36.80 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/subsidiary companies internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in the consolidated financial statements in accordance with the generally accepted accounting practice – Also refer Note 26(a) to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In respect of subsidiary companies, there are no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the respective Group entities. Refer Note 26(k) to the consolidated financial statements.

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

A. SIDDHARTH  
*Partner*  
(Membership No.: 31467)

*Mumbai,*  
*Dated: May 16, 2017*

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(REFERRED TO IN PARAGRAPH (F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT OF EVEN DATE)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Standard Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies as of that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

A. SIDDHARTH  
*Partner*  
(Membership No.: 31467)

*Mumbai,*  
*Dated: May 16, 2017*



# STANDARD INDUSTRIES LTD.

## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

| Particulars  | Note No. | As at March 31, 2017<br>₹ in lakhs | As at March 31, 2016<br>₹ in lakhs |
|--|----------|------------------------------------|------------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                                    |                                    |
| <b>(1) SHAREHOLDERS' FUNDS</b>   |          |                                    |                                    |
| (a) Share capital .....  | 2        | 3216.45                            | 3216.45                            |
| (b) Reserves and surplus .....   | 3        | (1242.29)                          | 1062.16                            |
|  |          | <b>1974.16</b>                     | <b>4278.61</b>                     |
| <b>(2) NON-CURRENT LIABILITIES</b>   |          |                                    |                                    |
| (a) Long-term borrowings .....   | 4        | —                                  | 2500.00                            |
| (b) Long-term provisions .....   | 5        | 24.11                              | 23.94                              |
|  |          | <b>24.11</b>                       | <b>2523.94</b>                     |
| <b>(3) CURRENT LIABILITIES</b>   |          |                                    |                                    |
| (a) Trade payables.....  | 6        | —                                  | —                                  |
| (i) Total Outstanding dues of Micro, Small and Medium Enterprise.....              |          | —                                  | —                                  |
| (ii) Total Outstanding dues of other than Micro, Small and Medium Enterprises..... |          | <b>170.03</b>                      | <b>158.21</b>                      |
|  |          | <b>170.03</b>                      | <b>158.21</b>                      |
| (b) Other current liabilities.....   | 7        | <b>7792.95</b>                     | <b>2150.43</b>                     |
| (c) Short-term provisions.....   | 8        | <b>635.40</b>                      | <b>1262.63</b>                     |
|  |          | <b>8598.38</b>                     | <b>3571.27</b>                     |
| Total....  |          | <b>10596.65</b>                    | <b>10373.82</b>                    |
| <b>II. ASSETS</b>  |          |                                    |                                    |
| <b>(1) NON-CURRENT ASSETS</b>  |          |                                    |                                    |
| (a) Fixed Assets   | 9        |                                    |                                    |
| (i) Tangible assets .....  |          | <b>2074.95</b>                     | <b>2149.28</b>                     |
| (ii) Capital work-in-progress.....   |          | <b>76.25</b>                       | <b>45.30</b>                       |
|  |          | <b>2151.20</b>                     | <b>2194.58</b>                     |
| (b) Goodwill on consolidation .....  |          | <b>50.77</b>                       | <b>50.77</b>                       |
| (c) Non-current investments.....   | 10       | <b>28.01</b>                       | <b>28.01</b>                       |
| (d) Long-term loans and advances.....  | 11       | <b>2359.10</b>                     | <b>2272.95</b>                     |
| (e) Other non-current assets.....  | 12       | <b>105.23</b>                      | <b>105.23</b>                      |
|  |          | <b>4694.31</b>                     | <b>4651.54</b>                     |
| <b>(2) CURRENT ASSETS</b>  |          |                                    |                                    |
| (a) Current investments.....   | 13       | <b>1674.78</b>                     | <b>1497.19</b>                     |
| (b) Inventories .....  | 14       | <b>172.32</b>                      | <b>150.79</b>                      |
| (c) Property under development.....  | 15       | <b>3300.57</b>                     | <b>3300.57</b>                     |
| (d) Trade receivables .....  | 16       | <b>147.85</b>                      | <b>161.27</b>                      |
| (e) Cash and cash equivalents .....  | 17       | <b>526.28</b>                      | <b>526.30</b>                      |
| (f) Short-term loans and advances .....  | 18       | <b>76.72</b>                       | <b>69.81</b>                       |
| (g) Other current assets .....   | 19       | <b>3.82</b>                        | <b>16.35</b>                       |
|  |          | <b>5902.34</b>                     | <b>5722.28</b>                     |
| Total....  |          | <b>10596.65</b>                    | <b>10373.82</b>                    |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

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

P. R. MAFATLAL  
Chairman

A. SIDDHARTH  
Partner

JAYANTKUMAR R. SHAH  
Chief Financial Officer

D. H. PAREKH  
Executive Director

Mumbai, Dated: May 16, 2017

Mumbai, Dated: May 16, 2017

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | Note<br>No. | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|--|-------------|---|---|
| <b>(I) INCOME</b>  |             |   |   |
| (a) Revenue from operations.....                           | 20          | 975.49  | 974.00  |
| (b) Other income.....                                      | 21          | 166.23  | 100.52  |
| Total....  |             | <u>1141.72</u>                                | <u>1074.52</u>                                |
| <b>(II) EXPENSES</b>                                       |             |   |   |
| (a) Purchase of traded goods – Cloths and Made-ups.....    |             | 677.91  | 619.28  |
| (b) Changes in inventories of stock-in-trade.....          | 22          | (21.53)                                       | (53.13)                                       |
| (c) Employee benefits expense.....                         | 23          | 209.79  | 215.23  |
| (d) Finance costs .....                                    | 24          | 400.00  | 94.47   |
| (e) Depreciation .....                                     | 9           | 90.28   | 123.88  |
| (f) Other expenses .....                                   | 25          | 2103.98                                       | 1491.69                                       |
| Total....  |             | <u>3460.43</u>                                | <u>2491.42</u>                                |
| <b>(III) (LOSS) BEFORE TAXES (I - II) .....</b>            |             | <b>(2318.71)</b>                              | <b>(1416.90)</b>                              |
| <b>(IV) TAX EXPENSE</b>                                    |             |   |   |
| (a) Current tax.....                                       |             | —   | —   |
| (b) Tax adjustment in respect of earlier years (net) ..... |             | 14.26   | (1.51)  |
| <b>(V) (LOSS) FOR THE YEAR [III - {IV(A) +IV(B)}].....</b> |             | <b>(2304.45)</b>                              | <b>(1418.41)</b>                              |
| <b>(VI) EARNINGS PER SHARE - BASIC AND DILUTED ₹ .....</b> |             | <b>(3.58)</b>                                 | <b>(2.20)</b>                                 |
| Nominal value per share ₹ .....                            |             | 5.00  | 5.00  |
| [Refer Note 26(f)]   |             |   |   |

**See accompanying notes forming part of the consolidated financial statements**

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

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

P. R. MAFATLAL  
Chairman

A. SIDDHARTH  
Partner

JAYANTKUMAR R. SHAH  
Chief Financial Officer

D. H. PAREKH  
Executive Director

Mumbai, Dated: May 16, 2017

Mumbai, Dated: May 16, 2017

# STANDARD INDUSTRIES LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| Particulars   | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|---|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>            |   |   |
| (I) (LOSS) BEFORE TAXES .....                             | <b>(2318.71)</b>                              | (1416.90)                                     |
| <u>Adjustments for:</u>                                   |   |   |
| Depreciation.....   | <b>90.28</b>                                  | 123.88  |
| Interest on borrowings .....                              | <b>400.00</b>                                 | 94.47   |
| Loss/(Profit) on sale of fixed assets (net).....          | <b>0.08</b>                                   | (0.35)  |
| Profit on sale of current Investments.....                | <b>(54.22)</b>                                | —   |
| Provision for doubtful debts written back .....           | <b>—</b>                                      | (17.68)                                       |
| Sundry credit balances written back.....                  | <b>(8.94)</b>                                 | (10.52)                                       |
| Dividend on current Investments.....                      | <b>(60.11)</b>                                | (8.56)  |
| Dividend on long-term Investments.....                    | <b>(1.55)</b>                                 | (1.37)  |
| Interest income on fixed deposits with banks .....        | <b>(21.70)</b>                                | (56.88)                                       |
|   | <b>343.84</b>                                 | 122.99  |
| (II) OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES..... | <b>(1974.87)</b>                              | (1293.91)                                     |
| <u>Changes in working capital</u>                         |   |   |
| Decrease in trade and other receivables .....             | <b>230.23</b>                                 | 92.24   |
| (Increase) in inventories.....                            | <b>(21.53)</b>                                | (53.13)                                       |
| Increase in trade and other payables .....                | <b>3821.53</b>                                | 1669.05                                       |
|   | <b>4030.23</b>                                | 1708.16                                       |
| Direct taxes Refund received/(paid) .....                 | <b>176.78</b>                                 | (38.73)                                       |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) .....         | <b>2232.14</b>                                | 375.52  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>            |   |   |
| Purchase of fixed assets                                  | <b>(602.86)</b>                               | (751.13)                                      |
| Purchase of current investments                           | <b>(3408.37)</b>                              | (3387.56)                                     |
| Sale of current investments                               | <b>3285.00</b>                                | 1961.00                                       |
| Sale of fixed assets                                      | <b>0.10</b>                                   | 3.23  |
| Balance in Earmarked accounts                             | <b>(3.79)</b>                                 | 2.07  |
| Dividend on current investments                           | <b>60.11</b>                                  | 8.56  |
| Dividend on long-term investments                         | <b>1.55</b>                                   | 1.37  |
| Interest income on fixed deposits with banks              | <b>26.96</b>                                  | 55.26   |
| Interest income on loan to related parties                | <b>7.27</b>                                   | 9.00  |
| NET CASH FLOW (USED IN) INVESTING ACTIVITIES (B) .....    | <b>(634.03)</b>                               | (2098.20)                                     |

**CONSOLIDATED CASH FLOW STATEMENT (Contd.)  
FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|--|---|---|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                     |   |   |
| Long-term borrowings paid/taken.....                               | (625.00)                                      | 2500.00                                       |
| Interest paid on borrowing.....                                    | (400.00)                                      | (94.47)                                       |
| Dividend paid.....   | (478.68)                                      | (484.55)                                      |
| Corporate dividend tax paid.....                                   | (98.24)                                       | (98.24)                                       |
| NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES (C)....          | <u>(1601.92)</u>                              | <u>1822.74</u>                                |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) ..... | (3.81)  | 100.06  |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR             | <u>486.46</u>                                 | <u>386.40</u>                                 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR ...               | <u><u>482.65</u></u>                          | <u><u>486.46</u></u>                          |

**NOTES:**

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

|  | March 31,<br>2017    | March 31,<br>2016    |
|--|----------------------|----------------------|
| Cash and cash equivalents as per financial statement (Refer Note 17) .....   | 526.28               | 526.30               |
| Less: Earmarked accounts not considered as Cash and cash equivalents as defined in AS 3 'Cash Flow Statements' ..... | 43.63                | 39.84                |
| Cash and cash equivalents at the end of the year.....  | <u><u>482.65</u></u> | <u><u>486.46</u></u> |

- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement".

**See accompanying notes forming part of the consolidated financial statements**

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

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

P. R. MAFATLAL  
Chairman

A. SIDDHARTH  
Partner

JAYANTKUMAR R. SHAH  
Chief Financial Officer

D. H. PAREKH  
Executive Director

Mumbai, Dated: May 16, 2017

Mumbai, Dated: May 16, 2017

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1:

#### Significant Accounting Policies:

##### (a) Basis of accounting and preparation of consolidated financial statement:

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

##### (b) Principles of Consolidation:

The Consolidated Financial Statements relate to Standard Industries Limited ('the Parent Company') and its wholly owned subsidiaries Standard Salt Works Limited (SSWL), and Mafatlat Enterprises Limited (MEL) (the subsidiaries), referred to as "The Group". [Refer Note 26(j)]

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

##### Investments in Subsidiaries

- i) The Financial Statements of the Group have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- ii) The difference between the cost of investment in the Subsidiaries over the Parent Company's portion of equity of the subsidiaries is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.
- iii) The Financial Statements of the subsidiaries are drawn up to March 31, 2017.
- iv) Goodwill arising on consolidation is not amortised and it is tested for impairment on annual basis.
- v) The subsidiaries considered in the presentation of these consolidated financial statements are:

| Name                         | Country of Incorporation | Proportion of Ownership Interest as at March 31, 2017 | Proportion of Ownership Interest as at March 31, 2016 |
|------------------------------|--------------------------|---|---|
| Standard Salt Works Limited  | India                    | 100%  | 100%  |
| Mafatlat Enterprises Limited | India                    | 100%  | 100%  |

##### (c) Use of Estimates:

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

##### (d) 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.

##### (e) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### (f) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### (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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**(h) Depreciation Policy:**

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for Computers (Desktops, Laptops etc.) has been assessed for 6 years based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

**(i) Revenue Recognition:**

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

**(j) Fixed Assets:**

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

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

**(k) 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.

**(l) Investments:**

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

**(m) Employee Benefits:**

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

**(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) Segment reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities."

**(p) Taxes on Income:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same. [Refer Note 26(g)].

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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).

### (q) Impairment of Assets:

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

### (r) Provisions and Contingencies:

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

### (s) Doubtful Debts/Advances:

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

|  | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|--|--|--|
| <b>Note 2:</b>   |  |  |
| <b>SHARE CAPITAL</b>                                       |  |  |
| <b>Authorised:</b>   |  |  |
| 15,00,00,000 Equity Shares of ₹ 5/- each .....             | 7500.00                                  | 7500.00                                  |
|  | <u>7500.00</u>                           | <u>7500.00</u>                           |
| <b>Issued, Subscribed and Paid-up:</b>                     |  |  |
| 6,43,28,941 Equity Shares of ₹ 5/- each fully paid-up..... | 3216.45                                  | 3216.45                                  |
| Total....  | <u>3216.45</u>                           | <u>3216.45</u>                           |

Note:

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

| Name of the Equity Shareholders                 | As at March 31, 2017      |              | As at March 31, 2016      |              |
|---|---------------------------|--------------|---------------------------|--------------|
|   | No. of Equity Shares held | % of Holding | No. of Equity Shares held | % of Holding |
| Stanrose Mafatlal Investments & Finance Limited | 1,24,04,487               | 19.28        | 1,24,04,487               | 19.28        |
| Satin Limited .....                             | 2,50,00,000               | 38.86        | 2,50,00,000               | 38.86        |

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

| Particulars   | Year ended<br>March 31, 2017    |            | Year ended<br>March 31, 2016    |            |
|---|---------------------------------|------------|---------------------------------|------------|
|   | No. of fully paid Equity Shares | ₹ in Lakhs | No. of fully paid Equity Shares | ₹ in Lakhs |
| Equity Shares outstanding at the beginning of the year..... | 6,43,28,941                     | 3216.45    | 6,43,28,941                     | 3216.45    |
| Equity Shares outstanding at the end of the year...         | 6,43,28,941                     | 3216.45    | 6,43,28,941                     | 3216.45    |

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

|                                    | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|------------------------------------|--|--|
| <b>Note 3:</b>                     |  |  |
| <b>RESERVES AND SURPLUS</b>        |  |  |
| (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                                  |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

|   | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
|---|----------------------------|----------------------------|
| ₹ in lakhs  | ₹ in lakhs                 | ₹ in lakhs                 |
| (d) Revaluation Reserve                               |                            |                            |
| As per last Balance Sheet.....                        | 13.56                      | 13.56                      |
| (e) General Reserve                                   |                            |                            |
| As per last Balance Sheet.....                        | 1004.00                    | 1004.00                    |
| (f) Balance in Statement of Profit and Loss – deficit |                            |                            |
| Balance at the beginning of the year .....            | (2498.44)                  | (499.32)                   |
| Less: (Loss) for the year.....                        | (2304.45)                  | (1418.41)                  |
|   | (4802.89)                  | (1917.73)                  |
| Less: Proposed Dividend on Equity Shares.....         |                            | 482.47                     |
| Corporate Tax on Dividend [Refer Note 26(l)].....     |                            | 98.24                      |
|   |                            | 580.71                     |
| Closing Balance .....                                 | (4802.89)                  | (2498.44)                  |
| Total....   | (1242.29)                  | 1062.16                    |

**Note 4:**

**LONG-TERM BORROWING (SECURED)**

|   |         |         |
|---|---------|---------|
| Term Loan from Kotak Mahindra Investments Limited ..... | 1875.00 | 2500.00 |
| Less : Current Maturities [Refer Note 7(b)]             | 1875.00 | —       |
|   | —       | 2500.00 |

The principal terms of repayment are as follows:

|  |   |         |
|--|---|---------|
| (a) Principal to be paid in 4 quarterly installments starting from 13th month of disbursement date. Loan has been disbursed on December 23, 2015.....  |   |         |
| (b) Rate of Interest is 16% p.a. and shall be payable on monthly basis. ....   |   |         |
| (c) The Holding Company has created charge by registered mortgage creating first and exclusive security on building (Stanrose Apartments) and plot of land admeasuring appox. 1937.31 sq.mtrs situated at Prabhadevi, Mumbai-400025..... |   |         |
| Total....  | — | 2500.00 |

**Note 5:**

**LONG-TERM PROVISIONS**

|   |       |       |
|---|-------|-------|
| Provision for employee benefits         |       |       |
| – For Compensated Absences.....         | 1.54  | 1.37  |
| – For Gratuity [Refer Note 26(h)] ..... | 22.57 | 22.57 |
| Total....                               | 24.11 | 23.94 |

Note:

The Group did not have any long-term contracts including derivative contracts for which any provision was required for foreseeable losses

**Note 6:**

**TRADE PAYABLES**

The Group has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|   | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|---|--|--|
| <b>Note 7:</b>  |  |  |
| <b>OTHER CURRENT LIABILITIES</b>                                    |  |  |
| (a) Unpaid Dividends .....  | 43.62                                    | 39.83                                    |
| (b) Current maturities of long-term borrowings [Refer Note 4] ..... | 1875.00                                  | —  |
| (c) Interest Accrued but not due on borrowings.....                 | 30.58                                    | —  |
| (d) Other Payables:   |  |  |
| (i) Statutory liabilities .....                                     | 200.38                                   | 226.96                                   |
| (ii) Payable on Purchase of Fixed Assets.....                       | 113.01                                   | 148.79                                   |
| (iii) Deposit received.....   | —  | 1650.00                                  |
| (iv) Advance from Customers .....                                   | 12.88                                    | 15.02                                    |
| (v) Advance against property under development.....                 | 5500.00                                  | —  |
| (vi) Others [Refer Note below].....                                 | 17.48                                    | 69.83                                    |
| Total....   | <u>7792.95</u>                           | <u>2150.43</u>                           |

**Note:**

Includes amount aggregating to ₹ Nil (Previous year ₹ 14.28 lakhs relating to the refund of Income-tax received by the company for Assessment year 2005-06)

**Note 8:**

**SHORT-TERM PROVISIONS**

|   |               |                |
|---|---------------|----------------|
| (a) Provision for employee benefits:                            |               |                |
| (i) For Gratuity [Refer Note 26(h)] .....                       | 20.18         | 19.12          |
| (ii) For Compensated Absences .....                             | 31.56         | 31.53          |
| (b) Others:   |               |                |
| (i) For Income-Tax (Net of Provisions) .....                    | —             | 47.61          |
| (ii) Proposed Dividend on Equity shares [Refer Note 26(l)]..... | —             | 482.47         |
| (iii) Corporate Dividend Tax [Refer Note 26(l)] .....           | —             | 98.24          |
| (iv) For Disputed Rent [Refer Note 11 and 26(a)(6)].....        | 583.66        | 583.66         |
| Total....   | <u>635.40</u> | <u>1262.63</u> |

**Note 9:**

**FIXED ASSETS**

| Particulars                                   | Gross Block         |           |           |                      | Accumulated Depreciation |              |           | ₹ in lakhs           |                      |
|---|---------------------|-----------|-----------|----------------------|--------------------------|--------------|-----------|----------------------|----------------------|
|   | As at April 1, 2016 | Additions | Deduction | As at March 31, 2017 | Up to March 31, 2016     | For the Year | Deduction | Up to March 31, 2017 | As at March 31, 2017 |
| <b>(I) Tangible Assets:</b>                   |                     |           |           |                      |                          |              |           |                      |                      |
| (a) Freehold Land .....                       | 721.67              | —         | —         | 721.67               | —                        | —            | —         | —                    | 721.67               |
| (Previous Year) .....                         | (25.82)             | (695.85)  | —         | (721.67)             | —                        | —            | —         | —                    | (721.67)             |
| (b) Buildings (Also Refer Note 4) .....       | 1447.95             | —         | —         | 1447.95              | 269.88                   | 23.75        | —         | 293.63               | 1154.32              |
| (Previous Year) .....                         | (1447.95)           | —         | —         | (1447.95)            | (246.12)                 | (23.76)      | —         | (269.88)             | (1178.07)            |
| (c) Plant and Equipment .....                 | 231.03              | 10.43     | —         | 241.46               | 148.24                   | 14.98        | —         | 163.22               | 78.24                |
| (Previous Year) .....                         | (251.91)            | (7.29)    | (28.17)   | (231.03)             | (160.16)                 | (14.75)      | (26.67)   | (148.24)             | (82.79)              |
| (d) Furniture and Fixtures.....               | 189.50              | 4.37      | —         | 193.87               | 134.89                   | 10.45        | —         | 145.34               | 48.53                |
| (Previous Year) .....                         | (189.50)            | —         | —         | (189.50)             | (119.88)                 | (15.01)      | —         | (134.89)             | (54.61)              |
| (e) Office Equipment .....                    | 63.19               | 1.33      | —         | 64.52                | 52.75                    | 4.11         | —         | 56.86                | 7.66                 |
| (Previous Year) .....                         | (62.88)             | (0.60)    | (0.29)    | (63.19)              | (45.92)                  | (7.09)       | (0.26)    | (52.75)              | (10.44)              |
| (f) Vehicles .....                            | 494.27              | —         | 3.51      | 490.76               | 406.82                   | 35.63        | 3.33      | 439.12               | 51.64                |
| (Previous Year) .....                         | (521.58)            | —         | (27.31)   | (494.27)             | (369.56)                 | (63.21)      | (25.95)   | (406.82)             | (87.45)              |
| (g) Salt Works-Reservoirs,<br>Salt Pans ..... | 3805.55             | —         | —         | 3805.55              | 3791.30                  | 1.36         | —         | 3792.66              | 12.89                |
| (Previous Year) .....                         | (3791.24)           | (14.31)   | —         | (3805.55)            | (3791.24)                | (0.06)       | —         | (3791.30)            | (14.25)              |
| Total....                                     | 6953.16             | 16.13     | 3.51      | 6965.78              | 4803.88                  | 90.28        | 3.33      | 4890.83              | 2074.95              |
| (Previous Year) .....                         | (6290.88)           | (718.05)  | (55.77)   | (6953.16)            | (4732.88)                | (123.88)     | (52.88)   | (4803.88)            | (2149.28)            |
| <b>(II) Capital Work-in-Progress:</b>         |                     |           |           |                      |                          |              |           |                      |                      |
| Assets under Construction.....                | 45.30               | 30.95     | —         | 76.25                | —                        | —            | —         | —                    | 76.25                |
| (Previous Year) .....                         | (45.30)             | —         | —         | (45.30)              | —                        | —            | —         | —                    | (45.30)              |

**Note:**

Buildings include ₹ 1158.36 lakhs being the cost of ownership flats. The Company holds 155 Shares of the aggregate face value of ₹ 0.08 lakh in Co-operative Societies under the bye-laws of Societies. The shares in respect of certain flats are yet to be received.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

|  | <b>As at<br/>March 31,<br/>2017<br/>₹ in lakhs</b> | <b>As at<br/>March 31,<br/>2016<br/>₹ in lakhs</b> |
|--|--|--|
| <b>Note 10:</b>  |  |  |
| <b>NON CURRENT INVESTMENTS (At Cost)</b>               |  |  |
| <b>Other Investments (Non-trade)</b>                   |  |  |
| <b>(I) In Quoted Equity Shares</b>                     |  |  |
| (a) Nocil Limited                                      |  |  |
| 13,320 Equity Shares of face value of ₹ 10/- each .... | 0.17   | 0.17   |
| (b) Stanrose Mafatlal Investment & Finance Limited     |  |  |
| 19,009 Equity Shares of face value of ₹ 10/- each ..   | 19.15  | 19.15  |
|  | 19.32  | 19.32  |
| <b>(II) In Unquoted Equity Shares</b>                  |  |  |
| (a) Stanrose Mafatlal Lubechem Limited                 |  |  |
| 200 Equity Shares of face value of ₹ 5/- each* .....   | —  | —  |
| (b) Syngenta India Limited                             |  |  |
| 2,000 Equity Shares of face value of ₹ 10/- each....   | 8.69   | 8.69   |
|  | 8.69   | 8.69   |
| Total....  | 28.01  | 28.01  |

Note:

|   | <b>Cost<br/>₹ in lakhs</b> | <b>Market value<br/>₹ in lakhs</b> |
|---|----------------------------|------------------------------------|
| Aggregate of quoted investments.....    | 19.32                      | 43.48                              |
| Previous year.....                      | 19.32                      | 30.00                              |
| Aggregate of unquoted investments ..... | 8.69                       |                                    |
| Previous year.....                      | 8.69                       |                                    |
|   | 28.01                      |                                    |
| Total....                               | 28.01                      |                                    |
| Previous year....                       | 28.01                      |                                    |

\* The cost of these shares as on March 31, 2017 / March 31, 2016 is ₹ 1

|  | <b>As at<br/>March 31,<br/>2017<br/>₹ in lakhs</b> | <b>As at<br/>March 31,<br/>2016<br/>₹ in lakhs</b> |
|--|--|--|
| <b>Note 11:</b>  |  |  |
| <b>LONG-TERM LOANS AND ADVANCES</b>  |  |  |
| <b>(Unsecured)</b>   |  |  |
| (a) Security Deposits.....   | 23.47  | 23.47  |
| (b) Advance Tax (Net of Provisions).....                                     | 101.56   | 311.69   |
| (c) Amounts deposited against disputed rent [Refer Note 8 and 26(a)(6)]..... | 1153.26  | 1153.26  |
| (d) Receivable from Group Company.....                                       | 197.74   | 197.74   |

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|  | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|--|--|--|
| (e) Other Loans and Advances   |  |  |
| (i) Balance with Government authorities .....<br>(includes deposit paid under protest to Excise<br>authorities, etc.)  | 194.28                                   | 336.51                                   |
| (ii) Advances to Creditors   |  |  |
| — Considered good .....  | 9.83                                     | 105.88                                   |
| — Considered doubtful.....   | 197.96                                   | 109.88                                   |
| Less: Provision.....   | 197.96                                   | 109.88                                   |
|  | —  | —  |
| (iii) Capital Advance  | 520.00                                   | —  |
| (iv) Others (Refer Note (i) below)   | 158.96                                   | 144.40                                   |
| Total....  | <u>2359.10</u>                           | <u>2272.95</u>                           |
| <b>Notes:</b>  |  |  |
| (i) Includes Income-tax refund receivable for various<br>Assessment years. The Company has preferred appeal<br>against Assessment orders passed by the Income-tax<br>department for various adjustments/disallowances. |  |  |
| (ii) Considered good.....  | 2359.10                                  | 2272.95                                  |
| Considered doubtful.....   | 197.96                                   | 109.88                                   |
| Total....  | <u>2557.06</u>                           | <u>2382.83</u>                           |

### Note 12:

#### OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

|  |               |               |
|--|---------------|---------------|
| Fixed Deposits with banks — under lien ..... | 105.23        | 105.23        |
| Total....                                    | <u>105.23</u> | <u>105.23</u> |

### Note 13:

#### CURRENT INVESTMENTS

##### (I) Investment in Equity (quoted at lower of cost and fair value)

|  |        |   |
|--|--------|---|
| (a) HDFC Bank<br>5,000 (Previous year Nil) Equity Shares of face<br>value of ₹ 2/- each .....                | 64.25  | — |
| (b) HDFC Ltd.<br>5,000 (Previous year Nil) Equity Shares of face<br>value of ₹ 2/- each .....                | 68.68  | — |
| (c) Finolex Industries Ltd.<br>5,000 (Previous year Nil) Equity Shares of face<br>value of ₹ 10/- each ..... | 24.40  | — |
| (d) Bajaj Finvest Ltd.<br>5,000 (Previous year Nil) Equity Shares of face<br>value of ₹ 5/- each .....       | 172.49 | — |
| (e) Axis Bank Ltd.<br>2,000 (Previous year Nil) Equity Shares of face value<br>of ₹ 2/- each .....           | 10.62  | — |
| (f) Larsen & Toubro Ltd.<br>1,000 (Previous year Nil) Equity Shares of face value<br>of ₹ 2/- each .....     | 15.13  | — |
| (g) Maruti Suzuki India Ltd.<br>1,325 (Previous year Nil) Equity Shares of face<br>value of ₹ 5/- each ..... | 76.80  | — |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|   | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|---|--|--|
| (h) Sun Pharmaceutical Industries Ltd.<br>2,000 (Previous year Nil) Equity Shares of face value of ₹ 1/- each ..... | 15.04                                    | —  |
| (i) ICICI Bank Ltd.<br>10,000 (Previous year Nil) Equity Shares of face value of ₹ 2/- each .....                   | 28.31                                    | —  |
| (j) Infosys Ltd.<br>11,500 (Previous year Nil) Equity Shares of face value of ₹ 5/- each .....                      | 113.84                                   | —  |
| (k) ITC Ltd.<br>10,000 (Previous year Nil) Equity Shares of face value of ₹ 1/- each .....                          | 27.17                                    | —  |
| (l) Tata Consultancy Services Ltd.<br>2,000 (Previous year Nil) Equity Shares of face value of ₹ 1/- each .....     | 48.54                                    | —  |
|   | <u>665.27</u>                            | <u>—</u>                                 |
| <b>(II) Investments in Mutual Funds (unquoted at lower of cost and fair value)</b>                                  |  |  |
| (a) HDFC Cash Management Fund<br>42335.744 units (Previous year 40436.644) of ₹ 10/- each .....                     | 4.28                                     | 4.06                                     |
| (b) Templeton India Cash Management Fund<br>49789.270 units (Previous year 346548.710) of ₹10/- each .....          | 4.98                                     | 34.68                                    |
| (c) Birla Sun Life Cash Manager Fund<br>42254.364 units (Previous year 7891.834) of ₹ 100/- each .....              | 42.67                                    | 7.91                                     |
| (d) HDFC Liquid Fund<br>2112.357 units (Previous year 11919.860) of ₹ 1000/- each .....                             | 62.02                                    | 350.00                                   |
| (e) ICICI Prudential Liquid Fund<br>6757.272 units (Previous year 158943.814) of ₹ 100/- each .....                 | 14.88                                    | 350.00                                   |
| (f) Kotak Floater Short Term Growth (Regular plan)<br>1938 units (Previous year 30718.154) of ₹ 1000/- each .....   | 47.32                                    | 750.00                                   |
| (g) Kotak Floater-Short Term - Daily Dividend<br>42276.225 units (Previous year Nil) of ₹ 1000/- each .....         | 427.67                                   | —  |
| (h) Kotak Low Duration Fund Standard-Weekly Dividend<br>39871.906 units (Previous year Nil) of ₹ 1000/- each .....  | 405.15                                   | —  |
|   | <u>1008.97</u>                           | <u>1496.65</u>                           |
| <b>(III) Investments in Government Securities</b>   |  |  |
| In National Savings Certificate.....  | 0.54                                     | 0.54                                     |
| Total....   | <u>1674.78</u>                           | <u>1497.19</u>                           |
| <b>Note:</b>  |  |  |
|   | <b>Cost</b><br>₹ in lakhs                | <b>Market value</b><br>₹ in lakhs        |
| Aggregate of quoted investments.....  | 665.27                                   | 721.46                                   |
| Previous year.....  | —  | —  |
| Aggregate of unquoted investments .....   | 1009.51                                  | —  |
| Previous year.....  | 1497.19                                  | —  |
| Total....   | <u>1674.78</u>                           | <u>—</u>                                 |
| Previous year....   | <u>1497.19</u>                           | <u>—</u>                                 |

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|  | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|--|--|--|
| <b>Note 14:</b>  |  |  |
| <b>INVENTORIES</b>   |  |  |
| (at lower of cost and net realisable value)  |  |  |
| (a) Stock-in-trade [Including traded goods – Cloth and Made-up]  | 147.61                                   | 116.06                                   |
| (b) Stock-in-process.....  | 24.71                                    | 34.73                                    |
| Total....  | <u>172.32</u>                            | <u>150.79</u>                            |
| <b>Note 15:</b>  |  |  |
| <b>PROPERTY UNDER DEVELOPMENT</b>  |  |  |
| (at lower of cost and net realisable value)  |  |  |
| Land development including related Capital Work-In-Progress [Refer Note 26(i)].....  | 3300.57                                  | 3300.57                                  |
| Total....  | <u>3300.57</u>                           | <u>3300.57</u>                           |
| <b>Note 16:</b>  |  |  |
| <b>TRADE RECEIVABLES</b>   |  |  |
| (Unsecured)  |  |  |
| (a) Outstanding for a period exceeding six months from the date they were due for payment:   |  |  |
| — Considered good.....   | 91.35                                    | 106.31                                   |
| — Considered doubtful.....   | 364.05                                   | 364.05                                   |
| Less: Provision.....   | <u>364.05</u>                            | <u>364.05</u>                            |
| (b) Others (considered good).....  | 56.50                                    | 54.96                                    |
| Total....  | <u>147.85</u>                            | <u>161.27</u>                            |
| <b>Note 17:</b>  |  |  |
| <b>CASH AND CASH EQUIVALENTS</b>   |  |  |
| (Refer note below)   |  |  |
| (a) Cash on hand.....  | 8.44                                     | 4.82                                     |
| (b) Balance with Banks:  |  |  |
| (i) In current accounts.....   | 333.08                                   | 268.17                                   |
| (ii) In earmarked accounts   |  |  |
| – Unpaid dividend accounts.....  | 43.63                                    | 39.84                                    |
| (iii) In deposits accounts.....  | <u>141.13</u>                            | <u>213.47</u>                            |
| Total....  | <u>517.84</u>                            | <u>521.48</u>                            |
|  | <u>526.28</u>                            | <u>526.30</u>                            |
| Note:  |  |  |
| Of the above, the balances that meet the definition of cash and cash equivalent as per AS 3, aggregate (excluding earmarked accounts): | <u>482.65</u>                            | <u>486.46</u>                            |
| <b>Note 18:</b>  |  |  |
| <b>SHORT-TERM LOANS AND ADVANCES</b>   |  |  |
| (Unsecured, considered good)   |  |  |
| (a) Security deposits.....   | 1.51                                     | 1.51                                     |
| (b) Prepaid expenses.....  | 17.06                                    | 16.29                                    |
| (c) Loan to employees.....   | 0.45                                     | 5.57                                     |
| (d) Other Short-Term Advances  |  |  |
| (i) Advance to Creditors.....  | 43.67                                    | 25.47                                    |
| (ii) Others.....   | <u>14.03</u>                             | <u>20.97</u>                             |
| Total....  | <u>76.72</u>                             | <u>69.81</u>                             |
| <b>Note 19:</b>  |  |  |
| <b>OTHER CURRENT ASSETS</b>  |  |  |
| (Unsecured, considered good)   |  |  |
| (a) Interest accrued but not due on bank deposits etc.....   | 3.27                                     | 8.53                                     |
| (b) Interest accrued and due on Government Securities.....   | 0.55                                     | 0.55                                     |
| (c) Receivable from a Group Company.....   | —  | 7.27                                     |
| Total....  | <u>3.82</u>                              | <u>16.35</u>                             |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

|                                    | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|------------------------------------|---|---|
| <b>Note 20:</b>                    |   |   |
| <b>REVENUE FROM OPERATIONS</b>     |   |   |
| <b>(I) Sale of products</b>        |   |   |
| (a) Traded goods                   |   |   |
| (i) Cloth .....                    | 709.49  | 604.04  |
| (ii) Made-Ups .....                | 7.70  | 8.51  |
| (b) Manufactured goods             |   |   |
| (i) Industrial Salt .....          | 235.65  | 340.27  |
| (ii) Gypsum Salt .....             | 3.82  | 2.37  |
|                                    | <u>956.66</u>                                 | <u>955.19</u>                                 |
| <b>(II) Other Operating Income</b> |   |   |
| (a) Royalty received .....         | 18.00   | 17.44   |
| (b) Income from weigh bridge ..... | 0.83  | 1.37  |
|                                    | <u>18.83</u>                                  | <u>18.81</u>                                  |
| Total....                          | <u><u>975.49</u></u>                          | <u><u>974.00</u></u>                          |

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Note 21:</b>   |                      |                      |
| <b>OTHER INCOME</b>   |                      |                      |
| (a) Interest Income   |                      |                      |
| On Fixed Deposits with Banks .....                          | 21.70                | 56.88                |
| On Income-tax refund .....                                  | 17.33                | 0.02                 |
| On Others (security deposits, etc.) .....                   | 1.26                 | 1.48                 |
|   | <u>40.29</u>         | <u>58.38</u>         |
| (b) Dividend on non-current (long-term) investments .....   | 1.55                 | 1.37                 |
| (c) Dividend on current investments .....                   | 60.11                | 8.56                 |
| (d) Other Non-operating Income                              |                      |                      |
| (i) Sundry credit balances written back .....               | 8.94                 | 10.52                |
| (ii) Profit on Sale of current investments (unquoted) ..... | 54.22                | —                    |
| (iii) Provision for doubtful debts written back .....       | —                    | 17.68                |
| (iv) Profit on sale of Fixed Assets .....                   | —                    | 1.62                 |
| (v) Miscellaneous Income .....                              | 1.12                 | 2.39                 |
|   | <u>64.28</u>         | <u>32.21</u>         |
| Total....   | <u><u>166.23</u></u> | <u><u>100.52</u></u> |

|   |                       |                       |
|---|-----------------------|-----------------------|
| <b>Note 22:</b>                                 |                       |                       |
| <b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b> |                       |                       |
| (a) Inventories at the end of the year          |                       |                       |
| Finished Goods .....                            | 147.61                | 116.06                |
| Process Stock .....                             | 24.71                 | 34.73                 |
|   | <u>172.32</u>         | <u>150.79</u>         |
| (b) Inventories at the beginning of the year    |                       |                       |
| Finished Goods .....                            | 116.06                | 70.68                 |
| Process Stock .....                             | 34.73                 | 26.98                 |
|   | <u>150.79</u>         | <u>97.66</u>          |
| Net (Increase)                                  | <u><u>(21.53)</u></u> | <u><u>(53.13)</u></u> |

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|   | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|---|---|---|
| <b>Note 23:</b>   |   |   |
| <b>EMPLOYEE BENEFITS EXPENSE</b>  |   |   |
| (a) Salaries .....  | 163.24  | 164.29  |
| (b) Contribution to Provident and other Funds.....                                  | 19.58   | 18.95   |
| (c) Staff Welfare.....  | 26.97   | 31.99   |
| Total....   | <u>209.79</u>                                 | <u>215.23</u>                                 |
| <b>Note 24:</b>   |   |   |
| <b>FINANCE COST</b>   |   |   |
| Interest on borrowing .....   | 400.00  | 94.47   |
| Total....   | <u>400.00</u>                                 | <u>94.47</u>                                  |
| <b>Note 25:</b>   |   |   |
| <b>OTHER EXPENSES</b>   |   |   |
| (a) Stores/Spares/Packing materials consumed  | 1.94  | 4.31  |
| (b) Electricity .....   | 83.21   | 84.44   |
| (c) Labour charges .....  | 53.62   | 48.96   |
| (d) Rent .....  | 20.76   | 21.54   |
| (e) Leave and Licence fees [Refer Note 26(d)] .....                                 | 108.69  | 109.45  |
| (f) Charges for Corporate Office service and facilities<br>[Refer Note 26(d)] ..... | 150.28  | 148.94  |
| (g) Repairs:  |   |   |
| To Buildings .....  | 2.80  | 6.94  |
| To Machinery .....  | 21.20   | 20.32   |
| To Salt Works .....   | 16.27   | 53.38   |
| To Others .....   | 21.14   | 13.45   |
|   | <u>61.41</u>                                  | <u>94.09</u>                                  |
| (h) Insurance .....   | 4.12  | 4.98  |
| (i) Rates and taxes.....  | 25.37   | 45.56   |
| (j) Stationery, printing, advertisement, postage and<br>telegrams etc. ....         | 56.68   | 68.40   |
| (k) Donations .....   | 7.54  | 72.54   |
| (l) Transport and freight charges .....   | 45.72   | 39.54   |
| (m) Legal and Professional fees [Refer Note 26(b)] .....                            | 142.22  | 127.88  |
| (n) Consulting fees .....   | 140.58  | 128.04  |
| (o) Loss on write-off of fixed assets .....   | 0.08  | 1.27  |
| (p) Directors' fees .....   | 13.38   | 15.94   |
| (q) Travelling and conveyance expenses .....  | 21.16   | 41.86   |
| (r) Security charges .....  | 74.26   | 72.95   |
| (s) Vehicle expenses .....  | 75.62   | 64.87   |
| (t) Temporary manpower .....  | 69.49   | 70.15   |
| (u) Compensation expenses relating to property project<br>under development .....   | 651.32  | —   |
| (v) Salt Internal shifting expenses .....   | 55.60   | 47.05   |
| (w) Salt Washing charges .....  | —   | 0.03  |
| (x) Provision for Doubtful Debts .....  | 88.08   | —   |
| (y) Miscellaneous expenses .....  | 152.85  | 178.90  |
| Total....   | <u>2103.98</u>                                | <u>1491.69</u>                                |

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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 26:**

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

|  | <b>As at<br/>March 31,<br/>2017<br/>₹ in lakhs</b> | <i>As at<br/>March 31,<br/>2016<br/>₹ in lakhs</i> |
|--|--|--|
| (a) Contingent Liabilities in respect of:  |  |  |
| (1) Claims against the Standard Industries Limited Group not acknowledged as debts   |  |  |
| (a) ESIC Claims in respect of Contractor's workers.....  | <b>19.22</b>                                       | 19.22  |
| (b) Claims in respect of Labour matters.....   | <b>8.58</b>  | 120.21   |
| (c) Amount claimed by Taluka Development Officer towards Local Cess and Education Cess.<br>(SSWL has contested this claim and has paid an amount of ₹ 5 lakhs under protest with High Court of Gujarat).....   | <b>252.26</b>                                      | 252.26   |
| The above claims are pending before various authorities/court. The Standard Industries Limited Group is confident that the cases will be successfully contested.   |  |  |
| (2) Excise Duty, etc.<br>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 .....   | <b>545.46</b>                                      | 545.46   |
| (3) Guarantee given by Bank on behalf of Parent Company to Government authority. ....  | <b>105.23</b>                                      | 105.23   |
| (4) The Government of Maharashtra vide Notification No.ELD-2000/CR-1022(ii) NRG-1 dated April 1, 2000 and No.ELD-2001/CR-1069/ NRG-1 dated April 4, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. The Hon'ble High Court vide Order dated February 23, 2010 quashed and set aside the aforesaid Notification. Accordingly, the Company during the year 2009/2010, has written back the provision for the said duty provided in earlier years aggregating to ₹ 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 Standard Industries Limited Group is confident of success in this SLP when heard..... | <b>1375.74</b>                                     | 1375.74  |
| (5) Disputed demands of Income Tax<br>These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Standard Industries Limited Group is confident that all these cases can be successfully contested. ....  | <b>164.88</b>                                      | 39.95  |
| (6) The Parent Company had disputed the claim for rent, mesne profit and related interest claimed by the owner of the premises which were used by the Parent Company in earlier years. On the application of the Parent Company, the Hon'ble High Court of Judicature at Bombay granted a stay against the unfavourable Order of the Small Causes Court and directed the Parent Company to deposit an amount of ₹ 1153.26 lakhs pending resolution of the related Writ Petition filed by the Parent Company, which the Parent Company has deposited. Out of the above the Parent Company has already provided/paid for amounts aggregating ₹ 635.39 lakhs and the balance amount of ₹ 517.87 lakhs has not been provided as the Parent Company is hopeful of succeeding in its Petition. ....  | <b>1364.17</b>                                     | 1364.17  |



# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 26:

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

|   | Year ended<br>March 31,<br>2017<br>₹ in lakhs | Year ended<br>March 31,<br>2016<br>₹ in lakhs |
|---|---|---|
| (b) Payment to Auditors:*                   |   |   |
| (i) As Auditors .....                       | 12.55   | 12.40   |
| (ii) For Tax Audit .....                    | 2.70  | 2.70  |
| (iii) In respect of certification etc. .... | 1.15  | 1.45  |
| (iv) Taxation matters .....                 | 28.58   | 10.00   |
| (v) Company Law matters .....               | 7.35  | —   |
| (vi) For Expenses .....                     | 0.32  | 0.22  |
| (vii) Service Tax .....                     | 7.72  | 3.78  |
|   | <b>60.37</b>                                  | <b>30.55</b>                                  |

\*(Previous year amounts includes payment for taxation matters to an affiliated firm in view of the networking arrangement which is registered with the ICAI/other auditors).....

#### (c) Segment information:

##### Information about primary business segments.

The Group's primary business segments are as follows:

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

(₹ in lakhs)

|   | Real Estate           | Trading          | Manufacturing    | Others           | Total                  |
|---|-----------------------|------------------|------------------|------------------|------------------------|
| <b>Revenue</b>  |                       |                  |                  |                  |                        |
| From External Customers.....                            | 18.00<br>17.44        | 717.19<br>612.55 | 240.30<br>344.01 | —<br>—           | 975.49<br>974.00       |
| <b>Result</b>   |                       |                  |                  |                  |                        |
| Segment Result .....                                    | (1204.87)<br>(194.78) | 8.37<br>(12.83)  | (28.50)<br>56.49 | (0.51)<br>(0.43) | (1225.51)<br>(151.55)  |
| Unallocated Corporate Expenses .....                    |                       |                  |                  |                  | 1259.43<br>1365.87     |
| Operating Loss .....                                    |                       |                  |                  |                  | (2484.94)<br>(1517.42) |
| Unallocated Income.....                                 |                       |                  |                  |                  | 166.23<br>100.52       |
| Tax adjustments in respect of earlier years (net) ..... |                       |                  |                  |                  | 14.26<br>(1.51)        |
| (Loss) after Tax .....                                  |                       |                  |                  |                  | (2304.45)<br>(1418.41) |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 26:**

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

|   | Real Estate    | Trading       | Manufacturing | Others      | (₹ in lakhs)    |
|---|----------------|---------------|---------------|-------------|-----------------|
|   |                |               |               |             | <b>Total</b>    |
| <b>Other information</b>                |                |               |               |             |                 |
| Segment Assets .....                    | <b>7838.69</b> | <b>193.04</b> | <b>353.45</b> | <b>1.81</b> | <b>8386.99</b>  |
|   | <i>7487.06</i> | <i>235.95</i> | <i>288.80</i> | —           | <i>8011.81</i>  |
| Unallocated Corporate Assets .....      |                |               |               |             | <b>2209.66</b>  |
|   |                |               |               |             | <i>2362.01</i>  |
| Total Assets.....                       |                |               |               |             | <b>10596.65</b> |
|   |                |               |               |             | <i>10373.82</i> |
| Segment Liabilities.....                | <b>7842.38</b> | <b>3.12</b>   | <b>73.83</b>  | <b>0.15</b> | <b>7919.48</b>  |
|   | <i>4599.18</i> | <i>30.15</i>  | <i>84.96</i>  | <i>0.14</i> | <i>4714.43</i>  |
| Unallocated Corporate Liabilities ..... |                |               |               |             | <b>703.01</b>   |
|   |                |               |               |             | <i>1380.78</i>  |
| Total Liabilities.....                  |                |               |               |             | <b>8622.49</b>  |
|   |                |               |               |             | <i>6095.21</i>  |
| Capital Expenditure .....               | <b>571.16</b>  | —             | <b>31.70</b>  | —           | <b>602.86</b>   |
|   | <i>697.22</i>  | —             | <i>66.14</i>  | —           | <i>763.36</i>   |
| Depreciation.....                       | <b>83.44</b>   | <b>0.02</b>   | <b>6.82</b>   | —           | <b>90.28</b>    |
|   | <i>117.76</i>  | <i>0.95</i>   | <i>5.16</i>   | —           | <i>123.87</i>   |

Notes:

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

(d) Related Party Disclosure:

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

| <b>Name of the related party</b> | <b>Relationship</b>  |
|----------------------------------|--|
| Shanudeep Private Limited        | Enterprises over which key management personnel and their relatives are able to exercise significant influence |
| Mr. Pradeep R. Mafatlal          | Key Management Personnel   |
| Mrs. Divya P. Mafatlal           | Key Management Personnel   |
| Mr. D. H. Parekh                 | Key Management Personnel   |

- (ii) Details of Transactions with related parties:

| <b>Nature of Transactions</b>                  | <b>Enterprise over which key management personnel and their relatives are able to exercise significant influence</b> | <b>Key Management personnel</b> | <b>Total</b>    |
|--|--|---------------------------------|-----------------|
| (₹ in lakhs)                                   |  |                                 |                 |
| <b>Leave and Licence fees</b>                  |  |                                 |                 |
| Shanudeep Private Limited.....                 | <b>108.69</b>  | —                               | <b>108.69</b>   |
|  | <i>(109.45)</i>  | <i>(—)</i>                      | <i>(109.45)</i> |
| <b>Corporate Office Service and Facilities</b> |  |                                 |                 |
| Shanudeep Private Limited.....                 | <b>150.28</b>  | —                               | <b>150.28</b>   |
|  | <i>(148.94)</i>  | <i>(—)</i>                      | <i>(148.94)</i> |
| <b>Recovery of Common Expenses</b>             |  |                                 |                 |
| Shanudeep Private Ltd.....                     | <b>15.28</b>   | —                               | <b>15.28</b>    |
|  | <i>(15.86)</i>   | <i>(—)</i>                      | <i>(15.86)</i>  |

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 26:

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

(₹ in lakhs)

| Nature of Transactions                                     | Enterprise over which key management personnel and their relatives are able to exercise significant influence | Key Management personnel | Total                   |
|--|---|--------------------------|-------------------------|
| <b>Managerial Remuneration:</b><br>(Including perquisites) |   |                          |                         |
| Mr. D. H. Parekh .....                                     | —<br>(—)  | <b>35.68</b><br>(42.62)  | <b>35.68</b><br>(42.62) |
| <b>Directors Sitting Fees:</b>                             |   |                          |                         |
| Mr. Pradeep R. Mafatlal .....                              | —<br>(—)  | <b>1.20</b><br>(1.80)    | <b>1.20</b><br>(1.80)   |
| Mrs. Divya P. Mafatlal .....                               | —<br>(—)  | <b>0.80</b><br>(0.60)    | <b>0.80</b><br>(0.60)   |

#### 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.

- (e) Assets taken on operating lease:  
(Leave and License)

Amount of lease rentals (excluding Service Tax) in respect of cancellable operating leases recognised in the Statement of Profit and Loss is ₹ **97.20 lakhs** (Previous year ₹ 97.20 lakhs)

- (f) Earnings per share is calculated as follows:

| Particulars  | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
|--|---------------------------------|---------------------------------|
| (Loss) for the year available for equity shareholders (₹ in lakhs) ..... | <b>(2304.45)</b>                | (1418.41)                       |
| Weighted average number of equity shares-Basic and Diluted (Nos.) .....  | <b>64,328,941</b>               | 64,328,941                      |
| Earnings per share (₹) - Basic and Diluted .....                         | <b>(3.58)</b>                   | (2.20)                          |
| Nominal value per share (₹) .....  | <b>5.00</b>                     | 5.00                            |

- (g) Components of Deferred Tax Asset/(Liability)

| Particulars  | As at<br>March 31,<br>2017<br>₹ in lakhs | As at<br>March 31,<br>2016<br>₹ in lakhs |
|--|--|--|
| <b>Deferred Tax Liabilities:</b>   |  |  |
| Difference in tax and book written down value of fixed assets .....  | <b>(184.42)</b>                          | (179.94)                                 |
| <b>Total</b> .....   | <b>(184.42)</b>                          | (179.94)                                 |
| <b>Deferred Tax Assets:</b>  |  |  |
| Unabsorbed Depreciation (restricted to the extent of Deferred Tax liability on Depreciation on account of virtual certainty) ..... | <b>184.42</b>                            | 179.94                                   |
| <b>Total</b> .....   | <b>184.42</b>                            | 179.94                                   |
| <b>Deferred Tax (Liability)/Asset</b> .....  | <b>—</b>                                 | —  |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26:

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

(h) Employees Retirement Benefits:

- (i) The disclosures as required under the Accounting Standard 15 on “Employee Benefit” regarding the Company’s gratuity plan (funded) are as follows:  
Amount recognized in the Balance Sheet:

| Particulars                               | (₹ in lakhs)               |                            |
|---|----------------------------|----------------------------|
|   | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 |
| Present Value of Funded Obligations ..... | (130.68)                   | (127.03)                   |
| Fair Value of Plan Asset .....            | 140.66                     | 141.04                     |
| <b>Net Asset/(Liability) .....</b>        | <b>9.98</b>                | <b>14.01</b>               |
| <b>Amounts in the Balance Sheet</b>       |                            |                            |
| Liabilities* .....                        | (27.62)                    | (27.62)                    |
| Assets .....                              | —                          | —                          |
| <b>Net (Liability) .....</b>              | <b>(27.62)</b>             | <b>(27.62)</b>             |

\*Retained as per management assessment

Expenses to be recognized in Statement of Profit and Loss:

| Particulars   | (₹ in lakhs)                    |                                 |
|---|---------------------------------|---------------------------------|
|   | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
| Current Service Cost .....                                | 0.94                            | 1.48                            |
| Interest Cost .....                                       | 9.87                            | 9.12                            |
| Expected Return on Plan Assets .....                      | (10.96)                         | (10.55)                         |
| Net Actuarial Loss/(Gain) recognized in year .....        | 4.18                            | 3.97                            |
| <b>Total included in “Employee Benefit Expense” .....</b> | <b>4.03</b>                     | <b>4.02</b>                     |

Reconciliation of Benefit Obligations and Plan Assets for the year:

| <b>Change in Defined Benefit Obligation</b>     |               |               |
|---|---------------|---------------|
| Opening Defined Benefit Obligation .....        | 127.03        | 115.44        |
| Current Service Cost .....                      | 0.94          | 1.48          |
| Interest Cost .....                             | 9.87          | 9.14          |
| Benefit Paid .....                              | (7.82)        | —             |
| Actuarial Loss/(Gain) .....                     | 0.66          | 0.97          |
| <b>Closing Defined Benefit Obligation .....</b> | <b>130.68</b> | <b>127.03</b> |

# STANDARD INDUSTRIES LTD.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 26:

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

| Particulars   | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
|---|---------------------------------|---------------------------------|
| <b>Change in the Fair Value of Assets</b>   |                                 |                                 |
| Opening Fair Value of Plan Assets .....   | 141.04                          | 133.49                          |
| Expected Return on Plan Assets .....  | 10.96                           | 10.55                           |
| Contributions.....  | —                               | —                               |
| Benefit paid.....   | (7.82)                          | —                               |
| Actuarial (Loss)/Gain on Plan Assets .....  | (3.52)                          | (3.00)                          |
| <b>Closing Fair Value of Plan Assets .....</b>  | <b>140.66</b>                   | <b>141.04</b>                   |
| <b>The major categories of plan assets as percentage of total plan assets:</b>  |                                 |                                 |
| Fund is managed by Standard Industries Limited Employees' Gratuity Fund Composition of the plan assets is as follows: |                                 |                                 |
| In State Government Securities .....  | 21.85                           | 21.85                           |
| In Public Sector Undertakings Bonds .....   | 10.86                           | 10.86                           |
| In Fixed Deposit and Balance with Scheduled Banks.....  | 67.69                           | 67.29                           |

(ii) Assumptions:

| Particulars   | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
|---|---------------------------------|---------------------------------|
| Discount Rate .....   | 6.67%                           | 7.77%                           |
| Rate of increase in compensation levels of covered employees..... | 4.00%                           | 4.00%                           |
| Rate of Return on Plan Assets Current .....                       | 6.67%                           | 7.77%                           |

(iii) Experience Adjustments:

| Amounts for the current annual period and previous four annual periods | (₹ in lakhs)               |                            |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 |
| Defined Benefit Obligation .....                                       | 130.68                     | 127.03                     | 115.44                     | 104.32                     | 119.67                     |
| Plan Assets .....  | 140.66                     | 141.04                     | 133.49                     | 98.25                      | 92.05                      |
| Surplus/(Deficit) .....  | 9.98                       | 14.01                      | 18.05                      | (6.07)                     | (27.62)                    |
| Net Actuarial (Gains)/Losses Recognized in Year.....                   | 4.18                       | 3.29                       | (13.93)                    | (23.57)                    | 24.26                      |
| Experience adjustments on plan liabilities (Gains)/Losses ...          | 0.66                       | 0.29                       | (17.25)                    | (19.30)                    | 24.63                      |
| Experience adjustments on plan assets Losses/(Gains) ....              | 3.52                       | 3.00                       | 3.32                       | (4.27)                     | (0.37)                     |

- (i) The Parent Company has entered into a Memorandum of Understanding dated September 1, 2016 with Feat Properties Private Limited (FPPL) to transfer and assign all its leasehold rights in 62.25 acres of Company's leasehold property situated at Plot No. 4, Trans-Thane Creek Industrial Area in the Villages of Ghansoli and Savali, Taluka/Dist - Thane ("Property") for a consideration of ₹ 3,550,000,000 (Rupees Three hundred and fifty five crores only) receivable in installments. This transfer, assignment and consideration is subject to various conditions precedent getting satisfied (including approval of MIDC) and other terms and conditions specified in the aforesaid Memorandum of Understanding. Accordingly, FPPL has paid advance of ₹ 5,500 lakhs till March 31, 2017 and has created charge on said land to the extent of ₹ 5,000 lakhs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 26:**

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

- (j) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| Name of the entity in the    | Net assets, i.e., total assets minus total liabilities |                      |                      |                      | Share of profit or loss               |                      |                      |                      |
|------------------------------|--|----------------------|----------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
|                              | As % of consolidated net assets                        |                      | Amount (₹ in lakhs)  |                      | As % of consolidated profit or (loss) |                      | Amount (₹ in Lakhs)  |                      |
|                              | As at March 31, 2017                                   | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017                  | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| <b>Holding Company</b>       |  |                      |                      |                      |                                       |                      |                      |                      |
| Standard Industries Limited  | 88%  | 96%                  | 1692.85              | 4661.66              | -86%                                  | -80%                 | (1980.75)            | (1140.41)            |
| <b>Subsidiaries (Indian)</b> |  |                      |                      |                      |                                       |                      |                      |                      |
| Standard Salt Works Limited  | 12%  | 4%                   | 228.89               | 195.51               | -14%                                  | -20%                 | (323.20)             | (277.57)             |
| Mafatlal Enterprises Limited | 0%   | 0%                   | 1.66                 | 2.15                 | 0%                                    | 0%                   | (0.51)               | (0.43)               |

- (k) Disclosure on Specified Bank Notes (SBNs):

Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

| Particulars   | SBN's* | Other Denomination Notes | Total |
|---|--------|--------------------------|-------|
| <b>Closing cash in hand as on November 8, 2016</b>  | 11.09  | 1.10                     | 12.19 |
| (+) Permitted Receipts                              | —      | 10.70                    | 10.70 |
| (-) Permitted Payments                              | 0.02   | 7.57                     | 7.59  |
| (-) Amount deposited in Banks                       | 11.07  | —                        | 11.07 |
| <b>Closing cash in hand as on December 30, 2016</b> | —      | 4.22                     | 4.22  |

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016.

- (l) The Board of Directors of the Parent Company has proposed a dividend of ₹ 0.75 per equity share for the year ended March 31, 2017 (*Previous Year ₹ 0.75 per equity share*) which is subject to the shareholders' approval and declaration at the ensuing Annual General Meeting.

In terms of the revision to the Accounting Standard AS 4 on 'Contingencies and Events occurring after the Balance sheet date', dividend is required to be recognised in the year when declared, and hence this proposed dividend has not been recognised in the Balance sheet as at March 31, 2017. Hitherto, proposed dividend was recognised as a provision as at the Balance sheet date. This change has resulted in Short term provisions being lower by ₹ 580.71 lakhs and Reserves being higher by ₹ 580.71 lakhs as at the year end.

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

**SIGNATURES TO NOTES 1 TO 26**

In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

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

P. R. MAFATLAL  
Chairman

A. SIDDHARTH  
Partner

JAYANTKUMAR R. SHAH  
Chief Financial Officer

D. H. PAREKH  
Executive Director

Mumbai, Dated: May 16, 2017

Mumbai, Dated: May 16, 2017

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# STANDARD INDUSTRIES LTD.

*Registered Office:*

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

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

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

Date: 16<sup>th</sup> May, 2017

Dear Shareholder(s),

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

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

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

### **(a) For shareholders holding shares in Dematerialized Form**

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

### **(b) For shareholders holding shares in Physical Form**

If you have already opted from the company the NECS Mandate Facility (i.e. direct credit of dividend amount to your designated bank account) or the Bank Mandate Facility (i.e. where the details of your designated bank account are printed on the dividend warrant), please inform details of your new bank account number to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare 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 16<sup>th</sup> August, 2017 to facilitate receipt of dividend.

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

Assuring you of our best services at all times.

Yours faithfully,

For Standard Industries Ltd.

TANAZ B. PANTHAKI

*Vice President (Legal) & Company Secretary*

P.T.O.



# FORM

To,  
M/s. Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B,  
Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032.

## 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)<br><b>Please attach photocopy of the cheque/cancelled cheque</b> |  |
| 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. KARVY COMPUTERSHARE PVT. LTD., Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032. Tel. no.: +91 40 6716 2222, Fax no.: +91 40 2342 0814. E-mail: einward.ris@karvy.com

# STANDARD INDUSTRIES LTD.

*Registered Office:*

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

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

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

## GREEN INITIATIVE FORM

To,

M/s. Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B,  
Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad,  
Telangana – 500 032.

### 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

Note: The Green Initiative Form may, in the alternative be sent at the following address:  
M/s. Karvy Computershare Pvt. Ltd., 24-B, Raja Bahadur Mansion, Ground Floor,  
Ambalal Doshi Marg, Behind BSE, Fort, Mumbai – 400 023.



**PROXY FORM**

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

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**120th ANNUAL GENERAL MEETING**

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

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

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

Address:.....

..... Signature:.....

or failing him/her

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

Address:.....

..... Signature:.....

or failing him/her

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

Address:.....

..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 120th Annual General Meeting of the Company, to be held on Thursday, 31st August, 2017 at 3.00 P.M. at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number        | Resolution   |
|--------------------------|--|
| <b>ORDINARY BUSINESS</b> |  |
| 1.                       | Adoption of Financial Statements for the year ended 31st March, 2017.                |
| 2.                       | Declaration of dividend  |
| 3.                       | Re-appointment of Shri Pradeep R. Mafatlal, who retires by rotation.                 |
| 4.                       | Appointment of M/s. SHR & Co., Chartered Accountants as the auditors of the Company. |
| <b>SPECIAL BUSINESS</b>  |  |
| 5.                       | Commission to Non Executive Directors.   |
| 6.                       | Making loan, Investment or giving guarantee upto ₹ 300 crores.                       |
| 7.                       | Making Contributions to Charitable & other funds.                                    |
| 8.                       | Appointment of Shri K. J. Pardiwalla as Independent Director                         |
| 9.                       | Reappointment of Shri D. H. Parekh as Executive Director.                            |

Signed this .....day of..... 2017.

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

\_\_\_\_\_  
 Signature of the member

\_\_\_\_\_  
 Signature of the proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 120<sup>th</sup> Annual General Meeting.
3. A proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

