



STANDARD INDUSTRIES LTD.

114th ANNUAL REPORT 2010-2011

STANDARD INDUSTRIES LTD.

Registered Office:

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

NOTICE

Notice is hereby given that the **ONE HUNDRED & FOURTEENTH 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 4th August, 2011, at 3.00 p.m. to transact the following business :

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account of the Company for the Financial Year ended 31st March, 2011 and the Balance Sheet of the Company as on that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri R. J. Taraporevala, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Pradeep R. Mafatlal, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To appoint a Director in place of Shri D. H. Parekh who was appointed as an Additional Director by the Board of Directors and whose term of office expires at this Annual General Meeting under Section 260 of the Companies Act, 1956 and Article 142 of the Articles of Association of the Company and in respect of whom the Company has received notice in writing from Shri D. H. Parekh proposing his candidature for the Office of Director and accordingly the following Resolution be moved :

AS AN ORDINARY RESOLUTION

"RESOLVED THAT Shri D. H. Parekh, who has been appointed as an Additional

Director by the Board of Directors with effect from 3rd June, 2011, to hold Office till this Annual General Meeting, be and he is hereby expressly appointed as the Director by the Shareholders in this Annual General Meeting and he shall not be required to retire by rotation so long as he holds office as Whole-time Director, designated as Executive Director of the Company, subject to the provisions of Section 255 of the Companies Act, 1956."

7. 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 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), the Company in General Meeting, hereby approves the appointment of Shri D. H. Parekh as Whole-time Director designated as Executive Director of the Company for a period of 3 years from 2nd August, 2011, on the terms of appointment and remuneration including salary, commission and perquisites as set out in the draft Letter of Appointment to be issued to him, placed before the Meeting and initialled by the Chairman for the purpose of identification, which Letter of Appointment is hereby specifically approved with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to alter and vary the said terms of appointment and remuneration in such manner as may be agreed to between the Board and Shri D. H. Parekh, within the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto."

"RESOLVED FURTHER THAT where in any Financial Year during the currency of

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Shri D. H. Parekh's tenure as the Whole-time Director designated as Executive Director, the Company has no profits or its profits are inadequate, he shall be paid remuneration by way of salary, perquisites and retirement benefits subject to the limits specified in Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, in force from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this Resolution."

8. 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 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri D. H. Parekh, Vice-President (Finance), who is appointed as an Additional Director of the Company with effect from 3rd June, 2011 and holds an office or place of profit under the Company for the period from 3rd June, 2011, the date of his appointment as an Additional Director of the Company, till 2nd August, 2011, the date of his appointment as Whole-time Director designated as Executive Director, at a remuneration in accordance with the terms of his appointment as Vice-President (Finance) of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this Resolution."

9. To appoint a Director in place of Shri K. J. Pardiwalla who was appointed as an Additional Director by the Board of Directors with effect from 2nd August, 2011 and whose term of office expires at this Annual General Meeting under Section 260 of the

Companies Act, 1956 and Article 142 of the Articles of Association of the Company and in respect of whom the Company has received notice in writing from Shri K. J. Pardiwalla proposing his candidature for the Office of Director and accordingly the following Resolution be moved :

AS AN ORDINARY RESOLUTION

"RESOLVED THAT Shri K. J. Pardiwalla, who has been appointed as an Additional Director by the Board of Directors with effect from 2nd August, 2011, to hold Office till this Annual General Meeting, be and he is hereby expressly appointed as the Director by the Shareholders in this Annual General Meeting and he shall be liable to retire by rotation."

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 21st July, 2011, to Thursday, the 4th August, 2011, (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2011. Those Members whose names stand on the Register of Members of the Company as on 21st July, 2011, will be eligible for dividend.
- (c) **National Electronic Clearing Service (NECS)**
As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the Electronic Clearing Service (ECS) of the Reserve Bank of India (RBI), at designated locations, for payment of dividend to shareholders holding shares in dematerialized form. This service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In

this system, the investor's bank account is directly credited with the dividend amount.

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

Shareholders holding shares in physical form who have not yet opted for the ECS Mandate Facility, are urged to avail of the NECS Mandate facility 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 20th July, 2011, to facilitate receipt of dividend. Please note that if your new Bank Account number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

- (d) The Dividend as recommended by the Directors when declared at the Annual

General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Wednesday, the 10th August, 2011, to those shareholders who have not opted for NECS Mandates. For those shareholders who have submitted their NECS Mandates, the dividend will be credited directly to their respective Bank Accounts.

- (e) The Company has already transferred the unclaimed dividends for the year ended 30th September, 1997, to the Investors' Education & Protection Fund (IEPF). It may be noted that the Company had not declared any dividend for the Accounting Years from 1.10.1997 to 30.9.2003. The unclaimed dividend for the Accounting Periods ending 30th September, 2004, onwards are to be transferred to the IEPF on the dates given in the table below :

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
October, 2003 To September, 2004	22.02.2005	23.03.2012
October, 2004 To September, 2005	21.02.2006	26.03.2013
October, 2005 To March, 2006	28.09.2006	01.11.2013
April, 2006 To September, 2007	25.03.2008	29.04.2015
October, 2007 To March, 2009	26.09.2008 (Interim Dividend)	26.10.2015
October, 2007 To March, 2009	25.08.2009 (Final Dividend)	25.09.2016
April, 2009 To March, 2010	09.08.2010	08.09.2017

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Members who have so far not encashed the Dividend Warrants for the financial years ended September, 2004 onwards, are advised to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, or the Company's Registered Office at Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Ghansoli, Navi Mumbai, Thane – 400 701.

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

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

The Company has paid Annual Listing fees to the above Stock Exchanges upto 31st March, 2012.

- (i) The Memorandum and Articles of Association of the Company, the draft letter of appointment of Shri D. H. Parekh and the documents and/or letters referred to in the Resolution and in the Explanatory Statement annexed hereto are open for inspection of the Members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon except on Saturdays and Holidays.
- (j) As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

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

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

- (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 Clause 49 of the Listing Agreement relating to Corporate Governance are given hereunder:

1. Shri Russi Jal Taraporevala was born in September, 1932 and is an Economist and specialist in finance. He holds B.Com. degree from University of Bombay, M.Sc. (Economics) degree from London School of Economics of the University of London and an M.B.A. degree from the University of California at Berkley. He possesses long and rich experience in Industry, Finance and Corporate Affairs.

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

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

He is the Chairman of the Audit Committee and Remuneration Committee and Member of the Shareholders'/Investors' Grievance Committee of Standard Industries Limited. He is also the Chairman of the Investors Grievance Committee of Stanrose Mafatlal Investments and Finance Limited and Member of the Audit Committee of Stanrose Mafatlal Investments and Finance Limited and Chairman of the Investors'/Shareholders' Grievance Committee of Gabriel India Limited and Member of the Remuneration Committee of Gabriel India Limited. He holds 2,600 Equity Shares of the Company.

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

He is the Chairman of Standard Industries Limited, Stanrose Mafatlal Investments & Finance Ltd., Mafatlal Enterprises Limited, Umiya Real Estate Private Limited, Umiya Balaji Real Estate Private Limited and Mafatlal AG, Herisau. Further, he is the Chairman and Managing Director of Shanudeep Private Limited, Vice Chairman of Sheiladeep Investments Pvt. Ltd. and Vice Chairman of Vinadeep Investments Pvt. Ltd. He is a Member of the Investors'/Shareholders' Grievance Committee of Standard Industries Limited and Stanrose Mafatlal Investments & Finance Ltd. He holds 13,555 Equity Shares of the Company.

3. Shri D. H. Parekh was born on 16th July, 1951. He 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). He is the CFO of the Company since 2005. He is associated with the Company for about 35 years holding various responsible positions.

Shri D. H. Parekh is also a Director on the Board of Stan Plaza Limited, Umiya Real Estate Private Limited and Calypso Premises Private Limited.

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

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

He joined Standard Industries Limited in the year 1965. In 1986 he was promoted as Vice President of Standard Alkali, Chemicals Division of the Company.

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In August, 1993, he was appointed as the Whole-time Director designated as President (Chemicals). In March, 1996, he was elevated to the coveted position of Managing Director of the Company, for Textiles, Garments and Chemicals Divisions. Shri K. J. Pardiwalla is a Director on the Board of many Companies, viz. Standard Industries Limited, Standard Salt Works Limited (Chairman), Stanrose Mafatlal Investment & Finance Limited, Vinadeep Investments Pvt. Ltd. and Stan Plaza Limited (Chairman). He is also a Member of the Shareholders'/Investors' Grievance Committee of Standard Industries Limited.

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

By Order of the Board
TANAZ B. PANTHAKI
Company Secretary

Registered Office:

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

Dated : 3rd June, 2011

ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956:

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Items Nos. 6, 7, 8 and 9 contained in the accompanying Notice dated 3rd June, 2011.

Items Nos. 6 & 7

The Directors at their Board Meeting held on 3rd June, 2011, appointed Shri D. H. Parekh as an Additional Director of the Company. At the said Board Meeting, the Board of Directors have resolved to appoint Shri D. H. Parekh as Whole-time Director designated as Executive Director of the Company with effect from 2nd August, 2011, subject to the provisions of the Companies Act, 1956.

As per Section 260 of the Companies Act, 1956 and Article 142 of the Articles of Association of the Company, Shri D. H. Parekh would hold office as Director upto this Annual General Meeting. As the Board of Directors have also appointed him as Whole-time Director designated as Executive Director with effect from 2nd August, 2011, not liable to retire by rotation, it is desirable that his appointment as Director be made by the Company in General Meeting in compliance with Section 255 of the Companies Act, 1956. Notice from Shri D. H. Parekh, as required under Section 257 of the Companies Act, 1956, has been received proposing his candidature for appointment as Director.

Shri D. H. Parekh is a Senior Executive of the Company for the past several years. He is working as Vice-President (Finance) of the Company and has got wide experience in the fields of Finance, Planning and Management at very senior level. He is also the CFO of the Company. It is, therefore, considered advisable to appoint Shri D. H. Parekh, as Whole-time Director designated as Executive Director, of the Company for a period of 3 years with effect from 2nd August, 2011. The remuneration payable to Shri D. H. Parekh has been approved by the Remuneration Committee of the Company

at their Meeting held on 3rd June, 2011. The terms of appointment and remuneration payable to Shri D. H. Parekh are placed before the Meeting. 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 of the Company.

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

- (1) Salary of ₹ 1,75,000/- per month inclusive of dearness and all other allowances with the authority to the 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 Remuneration Committee subject to the overall ceilings laid-down in Sections 198 and 309 of the Companies Act, 1956. Such commission will be determined by the Board and be payable after the Annual Accounts 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 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 billed by the Company to the Whole-time Director.

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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 Whole-time 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 Clause 2 of Section II of Part II of Schedule XIII to the Companies Act, 1956.

Notwithstanding anything contained hereinabove, where in any financial year during the currency of Shri D. H. Parekh's tenure as the Whole-time 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 Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, in force from time to time, as minimum remuneration.

A statement pursuant to clause (iv) of Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is as follows :

I. General Information:

- (1) Nature of industry :
The Company deals in Realty Business and 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 :

	2010-2011 ₹ in lakhs
Turnover : Gross } Net }	728.59
Profit Before Tax	(287.81)
Profit After Tax	(277.04)
Earning Per Share	(0.43)
Networth	15209.07
Rate of dividend (Proposed)	15%

(5) Export performance and net foreign exchange collaborations :
The Company does not have any exports or foreign exchange collaborations.

(6) Foreign investments or collaborators, if any :
There are no foreign investments or collaborations in the Company.

II. Information about the appointee:

(1) Background details :
Shri D. H. Parekh is a Chartered Accountant and has diversified experience in Financial Accounting, Taxation and Management.

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

Shri D. H. Parekh is also a Director on the Board of Stan Plaza Limited, Umiya Real Estate Private Limited and Calypso Premises Private Limited.

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

(2) Past remuneration :

In the past, the total remuneration to Shri D. H. Parekh including salary and perquisites was ₹ 86,230/- per month.

(3) Recognition or awards :

Refer Para (1) above

(4) Job profile and his suitability :

As a Whole-time Director 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. 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 35 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 the Whole-time Director of the Company designated as Executive Director.

(5) Remuneration proposed :

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

(6) Comparative remuneration profile with respect to industry, size of the Company,

profile of the position and person (in case of expatriates the relevant details would be with regard to the country of his origin);

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

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

The pecuniary relationship of Shri. D. H. Parekh with the Company is 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;

The Company has suspended in-house production of its Textiles and Garments Divisions, in totality, in 2001 and closed its Chemical Factory from 9th November, 2006.

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

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

The Company is exploring potential opportunities with various Real Estate Developers/Investors/Fund Managers, for development of its balance approx. 62.25 acres of land. The Company has since converted the balance approx. 62.25 acres of land into Current Asset, i.e. Stock-in-Trade.

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

Section 198, 309 read with Schedule XIII to the Companies Act, 1956 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 the Whole-time Director designated as Executive Director, exceeding the specified ceiling, he shall be paid the minimum remuneration as per the limits prescribed under Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956. Hence, the Special Resolution at Item No. 7 of the accompanying Notice.

IV. Disclosures:

As Shri D. H. Parekh is appointed Whole-time Director designated as Executive Director with effect from 2nd August, 2011, his remuneration will be reflected in Corporate Governance for the next year.

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 Whole-time Director designated as Executive Director.

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

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.

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

As per Sections 269, 309 read with Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII of the Companies

Act, 1956, appointment of Shri D. H. Parekh as Whole-time Director designated as Executive Director 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 is concerned or interested in this Resolution.

This explanation, together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Item No. 8

Shri D. H. Parekh is the Vice-President (Finance). He is appointed as an Additional Director with effect from 3rd June, 2011. However, he continues to be Vice-President (Finance) and receive remuneration as such till the time he is appointed as Whole-time Director designated as Executive Director of the Company with effect from 2nd August, 2011.

Section 314 of the Companies Act requires consent of the Company by way of a Special Resolution if a Director is holding an office or place of profit, i.e. receiving any remuneration otherwise than as a Director. Hence the Special Resolution at Item No. 8 of the accompanying Notice.

Shri D. H. Parekh may be regarded as interested in the Resolution. None of the other Directors is concerned or interested in this Resolution.

Item No. 9

Shri K. J. Pardiwalla is the Managing Director of the Company till 1st August, 2011. He has

expressed his desire not to continue as the Managing Director from the expiry of his term. Shri K. J. Pardiwalla has agreed to provide his valuable guidance by continuing as a Director of the Company. Accordingly, the Directors at their Board Meeting held on 3rd June, 2011, appointed Shri K. J. Pardiwalla as an Additional Director of the Company with effect from 2nd August, 2011. He will be liable to retire by rotation.

As per Section 260 of the Companies Act, 1956 and Article 142 of the Articles of Association of the Company, Shri K. J. Pardiwalla would hold office as Director upto this Annual General Meeting. Having regard to the considerable knowledge and experience of Shri K. J. Pardiwalla and his long association with the Company, it is desirable to appoint Shri K. J. Pardiwalla as the Director of the Company. Notice from Shri K. J. Pardiwalla, as required under Section 257 of the Companies Act, 1956, has been received proposing his candidature for appointment as Director.

Shri K. J. Pardiwalla may be regarded as interested in the Resolution as the same concerns his appointment. None of the other Directors is concerned or interested in this Resolution.

By Order of the Board
TANAZ B. PANTHAKI
Company Secretary

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

Dated : 3rd June, 2011

STANDARD INDUSTRIES LTD.

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

STANDARD INDUSTRIES LTD.

BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL
Chairman

SHRI RUSSI JAL TARAPOREVALA
SHRI V. C. VAIDYA
SHRI M. L. APTE
SHRI F. M. PARDIWALLA
SHRI K. J. PARDIWALLA
Managing Director

SMT. DIVYA P. MAFATLAL
SHRI D. H. PAREKH
(w.e.f. 3.6.11)

BANKERS

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

AUDITORS

MESSRS. DELOITTE HASKINS & SELLS,
Chartered Accountants

ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

REGISTERED OFFICE

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

CORPORATE OFFICE

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

CITY AND MARKETING OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

MANAGEMENT TEAM

SHRI K. J. PARDIWALLA
Managing Director

SHRI D. H. PAREKH
Director

SHRI D. M. NADKARNI
Vice-President (Projects & Works)

SMT. TANAZ B. PANTHAKI
Company Secretary

SHRI V. K. KAPUR
General Manager (Works)

STANDARD INDUSTRIES LTD.

FINANCIAL STATISTICS

	2000/ 2001	1-4-2001 to 30-9-2002 (18 mths.)	2002/ 2003	2003/ 2004
COMPANY OWNED:				
1. Fixed Assets (Net)	20855	17043	15656	12766
2. Investments.....	71	53	72	72
3. Net Current Assets	657	4879	(135)	(533)
4. Deferred Tax Assets/(Liability).....	—	(1198)	—	—
5. Miscellaneous Expenditure	283	6387	—	—
6. Profit and Loss A/c.....	3931	—	—	—
Total Assets (Net).....	25797	27164	15593	12305
COMPANY OWED:				
1. Loan funds.....	12674	13263	7726	4046
2. Company's Net Worth: Equity Share Capital.....	6433	6433	3216	3216
Reserves and Surplus	6690	7468	4651	5043
Total Capital Employed	25797	27164	15593	12305
Debt/Equity Ratio#	1.02:1.00†	0.76:1.00†	0.83:1.00†	0.35:1.00†
Income	24201	41206	16366	24071
Raw Materials.....	4047	3646	1728	2216
Salaries and Wages.....	6113	3062	1683	2069
Operation and Other Expenses etc.	11996	19523	8801	12198
Interest	2011	3397	1319	829
Excise duty.....	2794	3472	1994	2531
Profit before Depreciation and Taxes.....	(2761)	8106	841	4228
Depreciation.....	1853	2031	1318	3180
Profit before extra ordinary item and taxes	(4614)	6075	(477)	1048
Extra ordinary item	(3040)	—	—	—
Taxes	(2)§	(3)§	(26)	(107)
Deferred Tax.....	—	(1198)	1198	—
Profit after Taxes	(7656)	4874	695	941
Provision and Refund of Income-tax (Net)	(61)	60	—	—
Transferred from General Reserve.....	—	2235	—	—
Balance brought forward from Previous Year	—	(6466)	703	1398
Amount for Appropriation.....	—	703*	1398*	2339*
Dividends	—	—	—	402
Tax on Dividends	—	—	—	52
Balance retained in business.....	—	703	1398	1885
Earnings per Equity Share ₹.....	—	7.67‡	1.08**	1.46**
Dividend paid per Equity Share ₹.....	—	—	—	0.625**

On Long term borrowings.

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

† Without Revaluation Reserve.

‡ On Equity Shares of ₹ 10/-.

§ Wealth-tax.

** On Equity Shares of ₹ 5/-.

(₹ in lakhs)

2004/ 2005	1-10-2005 to 31-3-2006 (6 mths.)	1-4-2006 to 30-9-2007 (18 mths.)	1-10-2007 to 31-3-2009 (18 mths.)	1-4-2009 to 31-3-2010	1-4-2010 to 31-3-2011
12760	12800	1984	1870	3546	1451
72	425	634	1443	6238	914
260	(238)	6542	12629	6463	12858
—	—	—	—	—	—
—	—	2296	—	—	—
—	—	—	—	—	—
12572	12987	11456	15942	16247	15223
1351	1149	—	—	—	—
3216	3216	3216	3216	3216	3216
8005	8622	8240	12726	13031	12007
12572	12987	11456	15942	16247	15223
0.12:1.00†	0.08:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†
23763	8325	12226	24683	3782	1770
1584	670	—	—	—	—
1966	696	759	334	242	169
11879	4446	9527	15680	2375	1756
394	64	168	8	—	—
3184	963	23	—	—	—
4756	1486	1749	8661	1165	(155)
1047	527	1489	132	106	133
3709	959	260	8529	1059	(288)
—	—	—	—	—	—
(321)	(110)	(67)	(3158)	(193)	(8)
—	—	—	—	—	—
3388	849	193	5371	866	(296)
—	—	—	—	7	19
—	—	—	—	—	—
1861	4705	5325	4943	9022	9287
5249*	5554*	5518*	10314*	9895*	9010*
402	201	483	643	482	482
57	28	82	109	80	78
4790	5325	4953	9562	9333	8450
5.27**	1.32**	0.30**	8.35**	1.36**	(0.43)**
0.625**	0.3125**	0.75**	1.00**	0.75**	0.75**

STANDARD INDUSTRIES LTD.

DIRECTORS' REPORT

To

The Members,

Standard Industries Limited.

Your Directors hereby present the 114th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2011.

FINANCIAL RESULTS

	Current Year 01.04.2010 to 31.03.2011 ₹ in lakhs	<i>Previous Year 01.04.2009 to 31.03.2010 ₹ in lakhs</i>
Gross Operating Profit before depreciation and tax.....	(154.52)	1164.60
Add: Amount withdrawn from Revaluation Reserve.....	5.58	5.47
	(148.94)	1170.07
Less: Depreciation.....	138.87	111.17
Profit before Taxes.....	(287.81)	1058.90
Provision for Tax:		
Current Tax.....	—	185.00
Wealth Tax.....	8.10	7.60
Excess provision for taxes in respect of earlier years.....	18.87	6.95
Profit after Taxes.....	(277.04)	873.25
Balance brought forward from previous year.....	9287.50	9021.85
Amount available for Appropriation.....	9010.46	9895.10
APPROPRIATIONS:		
Proposed Dividend on Equity Shares.....	482.47	482.47
Corporate Tax on Dividend.....	78.27	80.13
Transfer to General Reserve.....	—	45.00
Balance of Profit & Loss A/c. carried to Balance Sheet.....	8449.72	9287.50

Your Directors recommend the following dividend for the Financial Year 1st April, 2010 to 31st March, 2011, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 4th August, 2011, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 21st July, 2011.

	Current Year 01.04.2010 to 31.03.2011 ₹	<i>Previous Year 01.04.2009 to 31.03.2010 ₹</i>
Re. 0.75 per Equity Share of ₹ 5/- each on 6,43,28,941 Equity Shares [Previous year Re. 0.75 per Equity Share of ₹ 5/- each on 6,43,28,941 Equity Shares].....	4,82,46,705.75	4,82,46,705.75
	4,82,46,705.75	4,82,46,705.75

REAL ESTATE DIVISION

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

The year under review still remains extremely challenging for real estate business. The real estate market for commercial property still remains sluggish. Under such critical circumstances, the Company could not utilize the balance portion of 62.25 acres of land for development of Information Technology Park, Commercial Offices, Hospitality Projects, Malls, Banking & Financial Services, etc. in a commercially viable manner.

The Company is evaluating various proposals and is continuously in touch with various Real Estate Developers/Investors/Fund Managers, for development of its balance approx. 62.25 acres of land. The Company has since converted the balance approx. 62.25 acres of land into Current Asset, i.e. Stock-in-Trade.

TRADING DIVISION

For the present Financial Year, i.e. April, 2010 to March, 2011, the Company has a Textile Trading turnover of ₹ 729 lakhs in comparison with ₹ 690 lakhs for the previous Financial Year.

During this Financial Year cotton and other raw material prices have increased by 30% to 40% and because of this the fabric off take is affected. The fabric which was being supplied to the Garment Industry is also adversely affected by the recent changes in duty structure. Excise duty is imposed on branded garments and this is an additional burden to the industry.

The Company has started trading in fancy cotton shirting as well as RTS (ready to stitch) packing for suiting and shirting. Polyester viscose suiting and shirting range is also popular and due to the good quality the range is well accepted in the market.

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

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

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

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

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

FIXED DEPOSITS

There are no outstanding deposits remaining unpaid as on 31st March, 2011. The Company, as of now, does not accept fresh deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011, and of the profit or loss of the Company for the period under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the Financial Year ended 31st March, 2011, on a 'going concern' basis.

SUBSIDIARIES

The Ministry of Corporate Affairs vide its general Circular No. 1/2011 dated 8th February, 2011, have granted permission to holding companies not to attach accounts of its subsidiary companies, with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March, 2011, is included in the Annual Report.

STANDARD INDUSTRIES LTD.

DONATIONS

During the Financial Year, the Company has contributed a sum of ₹ 27.01 lakhs to various Charitable and Educational Institutions.

DIRECTORATE

Shri K. J. Pardiwalla, Managing Director of the Company, has expressed his desire not to continue as Managing Director after expiry of his present term of Office on 1st August, 2011. The Board of Directors would like to place on record their sense of appreciation for the valuable services rendered by Shri K. J. Pardiwalla during his association with the Company.

The Board has appointed Shri D. H. Parekh, as an Additional Director with effect from 3rd June, 2011. He is also appointed as Whole-time Director designated as Executive Director with effect from 2nd August, 2011, for a period of 3 years subject to the approval of the shareholders.

Pursuant to Article 158 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri Russi Jal Taraporevala and Shri Pradeep R. Mafatlal, are due to retire at the ensuing Annual General Meeting and are eligible for reappointment.

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

CORPORATE GOVERNANCE

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

INSURANCE

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

AUDITORS

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

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai
Dated : 3rd June, 2011.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2011

<i>No. of Equity Shares held</i>	<i>No. of Shareholders</i>	<i>No. of Shares held</i>
1 to 50.....	15,704	4,30,575
51 to 100.....	7,139	6,05,565
101 to 200.....	5,950	9,49,612
201 to 500.....	5,964	21,19,841
501 to 1000.....	2,367	19,25,213
1001 to 5000.....	1,982	47,64,513
5001 to 10000.....	305	22,70,314
10001 & above.....	277	5,12,63,308
Total.....	39,688	6,43,28,941

Total No. of Employees 19

CORPORATE GOVERNANCE

INTRODUCTION

Company's Philosophy on Corporate Governance

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

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

I. BOARD OF DIRECTORS

A. Composition and category of Directors is as follows:

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

* Including Foreign Companies

** Figure in brackets indicate Committee Chairmanships.

More than 50% of the strength of the Board of Directors comprises non-Executive Independent Directors.

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

Names of Directors	No. of Board Meetings attended	Last Annual General Meeting attended
Shri Pradeep R. Mafatlal, Chairman	4	No
Shri Russi Jal Taraporevala	4	No
Shri V. C. Vaidya	4	No
Shri M. L. Apte	3	No
Shri F. M. Pardiwalla	4	Yes
Shri K. J. Pardiwalla, Managing Director	4	Yes
Smt. Divya P. Mafatlal	4	No

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

Four Board Meetings were held during the Financial Year from 1st April, 2010 to 31st March, 2011. The dates of such Board Meetings are 26.5.2010, 12.8.2010, 10.11.2010 and 9.2.2011.

II. AUDIT COMMITTEE

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

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

The Company Secretary acts as a Secretary to the Committee. Shri P. R. Mafatlal, Chairman, Shri K. J. Pardiwalla, Managing Director, the Statutory Auditors, Internal Auditor and the Vice President (Finance) attend the Meetings on invitation from the Chairman of the Committee.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Discussions with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing with the Management, the quarterly, half-yearly and annual financial results of the Company before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements;
- Recommending to the Board, the appointment, re-appointment and, if required, removal of the statutory auditor and fixation of audit fees.
- 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.
- Any other terms of reference as may be included from time to time in clause 49 of the Listing Agreement.

During the Financial Year ended 31st March, 2011 the Audit Committee met four times. Attendance during the Financial Year is as under:

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

III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

The aforesaid Committee has met 24 times in the year ended 31st March, 2011.

Members	Meetings attended
Shri V. C. Vaidya, Chairman	24
Shri R. J. Taraporevala	20
Shri P. R. Mafatlal	14
Shri F. M. Pardiwalla	24
Shri K. J. Pardiwalla	19

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

Number of Shareholders' Complaints received during the period 1st April, 2010 to 31st March, 2011 : Nil

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

Number of pending share Transfers/complaints : Nil

IV. REMUNERATION COMMITTEE

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

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

The aforesaid Committee has met once in the Financial Year from 1st April, 2010 to 31st March, 2011.

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

Remuneration Policy

Payment of remuneration to the Managing Director is governed by the agreement executed between him and the Company. The agreement was approved by the Remuneration Committee, the Board and the shareholders. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation and Gratuity.

The remuneration paid to Shri K. J. Pardiwalla, Managing Director, during the Financial Year, is as under:

(₹ in lakhs)			
Salary	Perquisites	Contributions	Total
44.70	1.23	10.60	56.53

V. INVESTMENT COMMITTEE

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

The Investment Committee comprises three Directors, viz. Shri Pradeep R. Mafatlal, Shri V. C. Vaidya and Shri K. J. Pardiwalla. The Committee met four times during the Financial year i.e. on 26th May, 2010, 12th August, 2010, 10th November, 2010 and 9th February, 2011.

VI. RISK MANAGEMENT

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

VII. CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Principles for the Directors as also for the Members of Senior Management.

STANDARD INDUSTRIES LTD.

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

VIII. DIRECTORS' REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2011.

Names of Directors	Remuneration paid during April, 2010 to March, 2011			No. of shares held as on ₹ 31.3.11
	Sitting Fees ₹	Salary & Perks ₹	Total ₹	
Shri Pradeep R. Mafatlal, Chairman	1,08,000	—	1,08,000	13,555
Shri Russi Jal Taraporevala	2,20,000	—	2,20,000	2,600
Shri V. C. Vaidya	2,28,000	—	2,28,000	34
Shri M. L. Apte	1,20,000	—	1,20,000	2,300
Shri F. M. Pardiwalla	2,08,000	—	2,08,000	4,650
Shri K. J. Pardiwalla, Managing Director	—	56,52,961*	56,52,961*	—
Smt. Divya P. Mafatlal	80,000	—	80,000	—
TOTAL	9,64,000	56,52,961	66,16,961	

* Includes the Company's contribution to Provident Fund, Superannuation & Gratuity. Please refer B-2 of Schedule 15 'Notes on Accounts' annexed to the Financial Statements for the year under review.

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

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

The Agreement with the Managing Director is for a period of 3 years ending 1st August, 2011. Either party to the Agreement is entitled to terminate the agreement by giving 3 months' Notice from either side or by giving him 3 months' salary in lieu of Notice.

IX. SHAREHOLDERS' INFORMATION

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

Year	AGM	Location	Date and Time
2009-2010	AGM	The Park Navi Mumbai, Plot No.1, Sector 10, CBD Belapur, Navi Mumbai-400 614.	9-8-2010 at 3.00 p.m.
2007-2009	AGM	Nehru Centre Auditorium, Dr. Annie Beasant Road, Worli, Mumbai-400 018	25-8-2009 at 3.00 p.m.
2006-2007	AGM	----do----	25-3-2008 at 3.00 p.m.

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

No Special Resolution was put through postal ballot last year i.e. 1st April, 2010 to 31st March, 2011. As of date, the Company does not have any proposal for postal ballot.

X. DISCLOSURES

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

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

Transactions with the related parties are disclosed in Note No. B-9 in Schedule 15 'Notes on Accounts' annexed to the Financial Statements for the year under review.

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

None

(c) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to clause 49 of the Listing Agreement with Stock Exchanges.

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

XI. MEANS OF COMMUNICATION

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

The Company's website is www.standardindustries.co
The Management Discussion and Analysis Report forms part of the Annual Report.

XII. GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date & Time : 4th August, 2011 at 3.00 p.m.

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

2. Financial Calendar (tentative)

Financial Reporting : Mid August, 2011.
for the Quarter ended
30th June, 2011.

Financial Reporting : Mid November, 2011.
for the Quarter ended
30th September, 2011.

Financial Reporting : Mid February, 2012.
for the Quarter ended
31st December, 2011.

Financial Reporting : End May, 2012.
for the Quarter ended
31st March, 2011.

Annual General Meeting for the year
ending 31st March, 2012.
: August/September, 2012.

3. **Book Closure Date** : 21st July, 2011 to 4th August, 2011. (both days inclusive).
4. **Dividend Payment Date** : On and from Wednesday, the 10th August, 2011.
5. **Listing of Equity Shares on the Stock Exchanges** :
 1. Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Fort, Mumbai-400 023.
 2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

The Company has paid Listing Fees to the above Stock Exchanges upto 31st March, 2012.

6. Stock Code

(a) Stock Exchange	Stock Code
1. Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Fort, Mumbai – 400 023.	530017
2. National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	SIL

Stock Exchange	Stock Code
----------------	------------

- | | |
|--|---------------|
| (b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares. | INE 173A01025 |
|--|---------------|
7. **Stock Market Data** : Please see Annexure “1”
 8. **Stock performance** : Please see Annexure “2”
 9. **Registrar & Share Transfer Agents (R&STA)** : Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Tel. No. 67720300/400 E-mail: sharepro@shareproservices.com Fax No. 28591568. All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R&STA at the above address.
 10. **Share Transfer System** : Shares sent for transfer in physical form are registered by the Registrar & Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. and returned between 15 & 30 days from the date of receipt if documents are in order in all respects. Shares under objections are returned within 2 weeks.
 11. **Requirement of PAN for transfer of shares, etc. in physical form**
In case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-certified photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is now mandatory.

STANDARD INDUSTRIES LTD.

12. Distribution of Shareholdings as on 31st March, 2011:

No. of Equity Shares held	No. of Share-holders	No. of Shares held	% Share-holding
1 to 50	15,704	4,30,575	0.67
51 to 100	7,139	6,05,565	0.94
101 to 200	5,950	9,49,612	1.48
201 to 500	5,964	21,19,841	3.29
501 to 1000	2,367	19,25,213	2.99
1001 to 5000	1,982	47,64,513	7.41
5001 to 10000	305	22,70,314	3.53
10001 & above	277	5,12,63,308	79.69
TOTAL	39,688	6,43,28,941	100.00

13. Categories of Shareholding as on 31st March, 2011:

Categories	No. of Share-Holders	No. of Shares held	% Share-holding
Promoters/ Group Companies	6	1,19,01,612	18.50
Public/Pvt. Limited Companies	601	35,51,733	5.52
Insurance Companies	7	17,83,363	2.77
Public Financial Institutions/Banks	23	13,53,943	2.10
Mutual Funds/UTI	15	68,158	0.11
Foreign Institutional holding	2	1,23,680	0.19
NRIs/OCBs	181	2,55,25,038	39.68
Resident Individuals	38,853	2,00,21,414	31.13
	39,688	6,43,28,941	100.00

14. Dematerialisation of shares and liquidity:

40.82% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2011. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 8th May, 2000, as per notification issued by the Securities and Exchange Board of India (SEBI).

15. Plant Location:

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

16. Address for Correspondence

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

For Shares held in Physical Form

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

For Shares held in Dematerialised Form

To the Depository Participant

ii. Any query on Annual Report:

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

17. Green Initiative

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

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

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

ANNEXURE – “1”

Month	Month's High Price		Month's Low Price		No. of Shares Traded		Value ₹ (in lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April 2010	54.45	54.40	38.05	38.05	7061098	2123625	3370.53	1006.47
May 2010	50.20	50.45	41.05	40.90	969800	376979	441.20	170.11
June 2010	48.95	48.60	41.50	42.00	873897	347114	395.14	159.00
July 2010	51.05	51.85	41.60	41.60	2417963	834147	1128.15	390.73
Aug. 2010	52.80	52.90	44.75	44.20	2632396	1351153	1291.38	661.91
Sept. 2010	54.00	54.00	44.00	44.00	3158207	1057273	1542.85	515.64
Oct. 2010	55.10	49.50	42.00	41.05	1511685	732841	693.87	338.61
Nov. 2010	47.50	47.50	35.05	35.25	949508	367014	400.38	155.71
Dec. 2010	39.70	39.00	30.00	30.75	360769	134327	122.41	44.83
Jan. 2011	37.10	38.10	28.65	29.20	313859	77677	102.90	25.43
Feb. 2011	31.60	31.30	25.30	25.25	362360	66812	98.84	18.28
March 2011	26.80	26.75	23.05	23.25	1076307	271432	264.36	66.08

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, 2011:

Period	Share price	Sensex	Relative to Sensex
01.04.2010 to 31.03.2011	- 35.96%	+ 10.77%	- 46.73%

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2011:

Period	Share price	Nifty	Relative to Nifty
01.04.2010 to 31.03.2011	- 38.55%	+ 11.14%	- 49.69%

STANDARD INDUSTRIES LTD.

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

To

The Directors,
Standard Industries Limited

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing 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 current financial year ended 31st March, 2011, 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.

K. J. PARDIWALLA
Managing Director

Mumbai

Dated : 30th May, 2011.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Standard Industries Limited

We have examined the compliance of conditions of Corporate Governance by Standard Industries Limited (the Company) for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

A. B. JANI
Partner
Membership No. 46488

Mumbai

Dated : 30th May, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

REAL ESTATE DIVISION

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

INDUSTRY OVERVIEW

The Indian economy has emerged from the crisis relatively unscathed and quickly regained growth momentum, thanks to conservative and pragmatic policies of the Government and Reserve Bank of India, past reforms, banks' limited exposure to troubled parts of the global financial system, as well as India's robust domestic consumption. India's economic indicators recovered significantly with GDP growth on the fiscal front. The Government's stimulus packages contributed significantly to the nation's economic recovery.

However, consistent high rate of inflation witnessed both at the wholesale and consumer price index levels is a cause of worry and the Government policy actions will have to draw a fine line between growth and managing inflation.

The recovery in the Indian Real Estate Sector is still in its early stages. The Residential Housing Segment has seen buoyancy in volumes and prices, whereas the Commercial Segment lacks in demand both for office and retail malls. Rentals slumped due to weakened demand and many projects were delayed, shelved or scrapped to avoid over supply situation. Revenue sharing models were developed between Developers and Retailers to mitigate cost pressures. However, mid 2010 witnessed initial signs of recovery in the segment, with the revival in economy, restraint in mall construction helping improvement in demand supply equation and growing consumer confidence. Rentals have started stabilizing with gradual increase in enquiries in leasing market.

COMPANY OVERVIEW

The various segments which may be broadly classified for Company's business are Information Technology Parks, Commercial Offices, Hospitality Projects, Malls, Banking and Financial Services, etc. whether on its own or as a joint venture/joint development or otherwise in one or more tranches in a commercially viable manner. Spurred by business forecasts, several IT/ITES occupiers started leasing. IT/ITES segment continues to be the dominant demand driver for commercial space along with new

and expanding sunshine sectors like insurance, telecom and pharmaceuticals. The Company is focusing all its efforts towards utilizing approx 62.25 acres of prime piece of land at Navi Mumbai for development on lines as indicated above.

Strengths:

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

Weakness:

1. Tight liquidity and tight credit availability for Indian Corporates.
2. Global economic recession.
3. Fall in market demand.
4. The Company has to follow a cautious approach in identifying potential partner/venture investor under present market conditions, thereby leading to delays in achieving margins and improving cash flow.

OPPORTUNITIES & CHALLENGES

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

RISKS & CONCERNS

1. High inflation rate resulting in rising interest cost and credit squeeze for realty sector may create financial bottlenecks in the long run.
2. Competitive pricing by peers may affect margins in future.
3. Complex regulatory clearances may lead to increased gestation period.

TRADING DIVISION

The Company continues to outsource textile fabrics so as to exploit its goodwill and strong brand equity and tex marks. Due to economic slow down and high cotton prices, the textile market was sluggish.

STANDARD INDUSTRIES LTD.

During the year under review cotton and other raw material prices have increased by 30% to 40% and because of this the fabric off take is affected. The fabric which was being supplied to the Garment Industry is also adversely affected by the recent changes in duty structure. Excise duty is imposed on branded garments and this is an additional burden to the industry.

The Company has started trading in fancy cotton shirting as well as RTS (ready to stitch) packing for suiting and shirting. Polyester viscose suiting and shirting range is also popular and due to the good quality the range is well accepted in the market.

1. SEGMENT-WISE PERFORMANCE

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

2. GENERAL INTERNAL AUDIT

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

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

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

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

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

3. HUMAN RESOURCES

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

As on 31st March, 2011, the employees' strength (on permanent roll) of the Company was 19.

AUDITOR'S REPORT

TO
THE MEMBERS OF STANDARD INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Standard Industries Limited ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
 - (f) On the basis of written representations received from the directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

A. B. JANI
Partner
Membership No. 46488

Mumbai,
Dated : 30th May, 2011

STANDARD INDUSTRIES LTD.

ANNEXURE TO THE AUDITOR'S REPORT Re: STANDARD INDUSTRIES LIMITED

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification;
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to Section 301 that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from the public. We are informed that no Order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We are informed that, during the year there were no production activities carried out by the Company. Hence, as per information and explanation given to us the prescribed cost records, under Section 209(1)(d) of the Companies Act, 1956 with regard to the relevant product of the Company have not been maintained. (Also refer Note B16 of schedule 15).
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for the year of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are cases of non-deposit of disputed dues aggregating to ₹ 424.88 lakhs

- (₹ 106.93 lakhs pending before Commissioner of Central excise, ₹ 179.08 lakhs pending before the CESTAT, ₹ 138.87 lakhs pending before Assistant/Deputy Commissioner of Central excise) and ₹ 68.11 lakhs pending before Regional Director of Employees' State Insurance Corporation except for these, there are no other cases of non-deposit with appropriate authorities of disputed dues in respect of Employees' State Insurance, Income tax, Value Added Tax, Wealth Tax, Custom duty, Excise Duty and Cess.
- (xi) The Company has no accumulated losses as at the end of the year. *However, the Company has incurred cash losses in the current financial year and not in the immediately preceding financial year.*
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xiii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year. Hence, clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

A. B. JANI
Partner
Membership No. 46488

Mumbai,
Dated : 30th May, 2011

STANDARD INDUSTRIES LTD.

BALANCE SHEET

AS AT 31ST MARCH, 2011

	Schedule No.	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital	1	3216.45		3216.45
(b) Reserves and Surplus	2	12006.18		13030.47
			15222.63	16246.92
Total....			15222.63	16246.92
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS: 3				
(a) Gross Block		1764.55		4183.30
(b) Less: Depreciation/Amortisation		605.60		636.76
(c) Net Block		1158.95		3546.54
Add: Capital Work in Progress (including Advances for Capital Expenditure).....		292.02		—
			1450.97	3546.54
2. INVESTMENTS.....	4		914.14	6237.62
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories.....	5	92.52		157.13
(b) Property under Development (Stock-in-trade) (Refer Note B17 of Schedule 15)	6	2209.68		—
(c) Sundry Debtors	7	121.46		110.13
(d) Cash and Bank Balances.....	8	9288.32		6389.21
(e) Loans and Advances.....	9	2908.16		1742.18
		14620.14		8398.65
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities.....	10	483.01		646.55
(b) Provisions.....	11	1279.61		1289.34
		1762.62		1935.89
NET CURRENT ASSETS			12857.52	6462.76
Total....			15222.63	16246.92
Significant Accounting Policies and Notes on Accounts	15			

In terms of our report attached

P. R. MAFATLAL
Chairman

RUSSI JAL TARAPOREVALA

For Deloitte Haskins & Sells
Chartered Accountants

K. J. PARDIWALLA
Managing Director

V. C. VAIDYA

M. L. APTE

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

F. M. PARDIWALLA

DIVYA P. MAFATLAL

Directors

Mumbai, Dated: 30th May, 2011

Mumbai, Dated: 30th May, 2011

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	₹ in lakhs	₹ in lakhs	Previous Year From 01.04.09 to 31.03.10 ₹ in lakhs
INCOME:				
Sales-Traded goods.....			728.59	705.79
Other Income.....	12		1105.71	3107.62
Amount withdrawn from Revaluation Reserve (Refer Note B4 of Schedule 15).....			5.58	5.47
Decrease in stocks of finished goods-Traded.....	13		(64.61)	(31.34)
			<u>1775.27</u>	<u>3787.54</u>
EXPENDITURE:				
Purchase of traded goods			627.00	637.49
Operating and other expenses	14		1297.21	1979.98
Depreciation/Amortisation			138.87	111.17
			<u>2063.08</u>	<u>2728.64</u>
(Loss)/Profit before taxes			(287.81)	1058.90
Provision for tax:				
Current Tax [including ₹ 8.10 lakhs (Previous year ₹7.60 lakhs) for Wealth Tax].....			(8.10)	(192.60)
Excess Provision for taxes in respect of earlier years			18.87	6.95
(Loss)/Profit after taxes			(277.04)	873.25
Balance brought forward from previous year.....			9287.50	9021.85
Balance available for appropriation			9010.46	9895.10
Proposed Dividend on Equity Shares			482.47	482.47
Corporate Tax on dividend.....			78.27	80.13
Transfer to General Reserve.....			—	45.00
Surplus carried to Balance Sheet.....			<u>8449.72</u>	<u>9287.50</u>
Basic and Diluted earnings per share (₹).....			(0.43)	1.36
Nominal Value per share (₹)			5.00	5.00
(Refer Note B11 of Schedule 15)				
Significant Accounting Policies and Notes on Accounts	15			

In terms of our report attached

P. R. MAFATLAL
Chairman

RUSSI JAL TARAPOREVALA

For Deloitte Haskins & Sells
Chartered Accountants

K. J. PARDIWALLA
Managing Director

V. C. VAIDYA

M. L. APTE

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

F. M. PARDIWALLA

DIVYA P. MAFATLAL

Directors

Mumbai, Dated: 30th May, 2011

Mumbai, Dated: 30th May, 2011

STANDARD INDUSTRIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ in lakhs	₹ in lakhs	Previous year from 01.04.2009 to 31.03.2010	
			₹ in lakhs	₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET (LOSS)/PROFIT BEFORE TAXES		(287.81)		1058.90
Adjustments for:				
Depreciation	133.29		105.70	
Sundry Debit balances written off	37.57		300.08	
Loss on write off/sale of Fixed Assets.....	2.33		38.96	
Provision for Doubtful Debts written back	—		(149.31)	
Provision in respect of Electricity Duty written back	—		(1375.74)	
Sundry Credit balances written back	(27.92)		(51.27)	
Dividend on Long Term Investments.....	(4.66)		(117.79)	
Interest income on Fixed Deposits with Banks	(446.34)		(885.62)	
Interest income on Inter Corporate Deposits	(37.60)		(46.55)	
Interest income on Long Term Investments....	—		(0.02)	
VRS Expenses Paid	—		(0.40)	
Profit on Redemption of Long Term Investments	(377.58)		(3.18)	
Sale of Transferable Development Rights.....	—		(18.67)	
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES.....		(720.91)		(2203.81)
Decrease in Trade and other receivables	177.07		151.30	
Decrease in Inventories	64.61		31.34	
Decrease in Trade and other payables.....	(143.85)		(219.50)	
		97.83		(36.86)
		(910.89)		(1181.77)
Direct Taxes paid.....		(56.32)		(256.32)
NET CASH USED IN OPERATING ACTIVITIES (A)		(967.21)		(1438.09)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets.....	(436.24)		(1829.89)	
Purchase of Long Term Investments	(269.63)		(11130.81)	
Sale of Long Term Investments	5970.69		6339.91	
Sale of Fixed Assets	—		2.75	
Loans to Subsidiary Companies.....	(1290.82)		(35.06)	
Dividend on Long Term Investments	4.66		117.79	
Interest income on Fixed Deposits with Banks....	407.54		838.02	
Interest income on Inter Corporate Deposits	37.60		46.55	
Interest income on Long Term Investments	—		0.02	
Sale of Transferable Development Rights	—		18.67	
Inter Corporate Deposit given.....	—		(120.00)	
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)		4423.80		(5752.05)

CASH FLOW STATEMENT (Contd.)
FOR THE YEAR ENDED 31ST MARCH, 2011

	₹		<i>Previous year from 01.04.2009 to 31.03.2010</i>	
	in lakhs	in lakhs	in lakhs	in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Dividend Paid.....	(477.35)		(318.21)	
Corporate Dividend Tax paid	(80.13)		(54.66)	
NET CASH USED IN FINANCING ACTIVITIES (C)		(557.48)		(372.87)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C).....		2899.11		(7563.01)
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (OPENING BALANCE).....		6389.21		13952.22
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (CLOSING BALANCE)		9288.32		6389.21

Notes:

- Components of cash and cash equivalents include cash and bank balances (Refer Schedule 8 forming part of the Balance Sheet).
- Cash and Cash equivalents include balance in fixed deposits aggregating to ₹ **105.23 lakhs** (*Previous year ₹ 105.23 lakhs*) over which the Banks have lien.
- Cash and Cash equivalents include current balances in current account with Banks aggregating to ₹ **30.55 lakhs** (*Previous year ₹ 25.44 lakhs*) which are restricted in use on account of unclaimed Dividends, etc.
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
 Significant Accounting Policies and Notes on Accounts (Refer Schedule 15).

In terms of our report attached

P. R. MAFATLAL
Chairman

RUSSI JAL TARAPOREVALA

For Deloitte Haskins & Sells
Chartered Accountants

K. J. PARDIWALLA
Managing Director

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DIVYA P. MAFATLAL

} *Directors*

Mumbai, Dated: 30th May, 2011

Mumbai, Dated: 30th May, 2011

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 1

SHARE CAPITAL

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Authorised:			
15,00,00,000 Equity Shares of ₹ 5/- each.....		7500.00	<u>7500.00</u>
Issued, Subscribed and Paid-up:			
6,43,28,941 Equity Shares of ₹ 5/- each.....		3216.45	3216.45
Notes:			
(a) 3,98,000 Equity Shares of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to a contract without payment being received in cash.			
(b) 26,34,000 Equity Shares of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to conversion of convertible Bonds.			
(c) 2,17,85,376 Equity Shares of the original value of ₹ 10/- each are allotted as fully paid-up by way of Bonus shares by capitalisation of Reserves and Securities Premium Account.			
(d) 32,50,325 Equity Shares of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to conversion of Partly Convertible Debentures.			
Total....		3216.45	<u>3216.45</u>

Schedule 2

RESERVES AND SURPLUS

1. Capital Redemption Reserve Account.....		12.00	12.00
2. Securities Premium Account.....		2526.90	2526.90
3. Revaluation Reserve:			
As per last Balance Sheet.....	200.07		205.54
Less: Adjustment on account of revalued asset transferred to Stock in trade (Refer Note B17 of Schedule 15)	180.93		—
	19.14		<u>205.54</u>
Less: Withdrawn from the Reserve and Credited to Profit and Loss Account.....	5.58		5.47
		13.56	<u>200.07</u>
4. General Reserve:			
As per last Balance Sheet.....	1004.00		959.00
Transferred from Profit and Loss Account.....	—		45.00
		1004.00	<u>1004.00</u>
5. Surplus in Profit and Loss Account.....		8449.72	9287.50
Total....		12006.18	<u>13030.47</u>

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 3

FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2010*	Additions	Deductions/ Transfer	As at 31.03.2011	Upto 31.03.2010	For the year	Deductions/ Transfer	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Leasehold Land (Refer Note 1 and 4 below)	2516.43	—	2516.43	—	80.34	45.48	125.82	—	—	2436.09	
Freehold land	24.42	—	—	24.42	—	—	—	—	24.42	24.42	
Buildings	681.73	52.69	—	734.42	146.01	11.09	—	157.10	577.32	535.72	
Plant and Machinery	218.19	16.50	46.54	188.15	119.35	17.93	44.21	93.07	95.08	98.84	
Furniture Fixture and Dead Stock	289.31	12.81	—	302.12	166.64	18.84	—	185.48	116.64	122.67	
Motor Cars and Vehicles	453.22	62.22	—	515.44	124.42	45.53	—	169.95	345.49	328.80	
Total	4183.30	144.22	2562.97	1764.55	636.76	138.87	170.03	605.60	1158.95	3546.54	
<i>Previous Year</i>	<i>2176.40</i>	<i>2139.63</i>	<i>132.73</i>	<i>4183.30</i>	<i>616.61</i>	<i>111.17</i>	<i>91.02</i>	<i>636.76</i>			
Capital work in Progress (including Advances for Capital Expenditure)									292.02	—	
									TOTAL	1450.97	3546.54

Notes:

- * Fixed Assets of Textiles and Chemicals Divisions of the Company i.e. land, buildings, plant and machinery as on 31.12.1984 have been revalued by external valuers on the basis of their replacement prices as on 31.12.1985 and related factors. This had resulted in increase in the net value of the said assets by ₹ 5187.34 lakhs (Gross ₹ 10985.11 lakhs less accumulated depreciation ₹ 5797.77 lakhs), which had been transferred to Revaluation Reserve. During the year Company had transferred the leasehold land to property under development (Stock-in-trade). Appropriate adjustments to the balance in Revaluation Reserve as a result on this transfer, have been made.
- Buildings include ₹ 482.60 lakhs being the original cost of ownership flats. The Company holds 125 Shares of the aggregate face value of ₹ 0.06 lakh, (Previous year ₹ 0.06 lakh) in Co-operative Societies under the bye-laws of the Societies. The shares in respect of certain flats are yet to be received.
- Depreciation for the year includes depreciation provided on revalued cost of assets.
- Also Refer Note B17 of schedule 15.

Schedule 4

INVESTMENTS (LONG-TERM) (AT COST)

	₹ in lakhs	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
1. In Equity Shares of subsidiary companies: (Unquoted) (Non-trade):				
(a) Standard Salt Works Limited:				
223 Equity Shares of the face value of ₹ 100/- each fully paid		0.89		0.89
46777 Equity Shares of the face value of ₹ 100/- each – ₹ 30 per share paid-up		59.89		59.89
Carried Forward....	—	60.78	—	60.78

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 4 (Contd.)

INVESTMENTS (LONG-TERM) (AT COST)

	₹ in lakhs	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Brought Forward....	—	60.78	—	60.78
(b) Stan Plaza Limited:				
50007 Equity Shares of the face value of ₹ 10/- each fully paid-up		5.00		5.00
(c) Mafatlal Enterprises Limited:				
50007 Equity Shares of the face value of ₹ 10/- each fully paid-up		5.00		5.00
		<u>70.78</u>		<u>70.78</u>
2. In Equity Shares/Mutual fund(Fully paid-up):				
(a) Non-Trade Investments: (Quoted)				
13320 Equity Shares of NOCIL Limited of the face value of ₹ 10/- each	0.17			0.17
15924 (Previous year 1350) Equity Shares of Stanrose Mafatlal Investment & Fin. Limited of the face value of ₹ 10/- each.....	16.66			1.09
20000 Equity Shares of Finolex Industries Ltd. of the face value of ₹ 10/- each.....	11.44			11.44
2400 Equity Shares of State Bank of India of the face value of ₹ 10/- each.....	38.16			38.16
		<u>66.43</u>		<u>50.86</u>
(b) Non-Trade Investments: (Unquoted)				
200 Equity Shares of Stanrose Mafatlal Lubechem Limited of the face value of ₹ 5/- each	—*			—*
2000 Equity Shares of Syngenta India Limited of the face value of ₹ 10/- each.....	8.69			8.69
5500000 Units of Tata Fixed Maturity Plan ₹ 10/- each.....	550.00			550.00
2164932.688 Units (Previous year 41969.317) of HDFC Cash management Fund (TAP) ₹ 10/- each.....	217.17			4.21
10729.038 Units (Previous year 30893.994) of Templeton India Cash Management Account ₹ 10/- each	1.07			3.08
Carried Forward....	<u>776.93</u>	<u>66.43</u>	<u>70.78</u>	<u>70.78</u>

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 4 (Contd.)

INVESTMENTS (LONG-TERM) (AT COST)

	₹ in lakhs	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Brought Forward....	776.93	66.43	70.78	70.78
Nil (Previous year 3556578.701) units of Fortis Flexi Debt Fund ₹ 10/- each.....	—			550.00
Nil (Previous year 50000000) HDFC Fixed Maturity Plan ₹ 10/- each	—			5000.00
		<u>776.93</u>		
			<u>843.36</u>	<u>6166.84</u>
Total....			<u><u>914.14</u></u>	<u><u>6237.62</u></u>

Note:

	Cost ₹ in lakhs	Market Value ₹ in lakhs
1. (a) Aggregate of quoted investments.....	66.43	98.97
Previous year.....	50.86	66.72
(b) Aggregate of unquoted investments	847.71	
Previous year.....	6186.76	
Total....	<u>914.14</u>	
Previous year....	<u>6237.62</u>	

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

Schedule 5

INVENTORIES

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Traded Goods.....		92.52	157.13
Total....		<u>92.52</u>	<u>157.13</u>

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 6

PROPERTY UNDER DEVELOPMENT (Stock-in-Trade)

(Also Refer Note B17 of Schedule 15)

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Opening Balance as on 1st April, 2010.....	—		—
Add: Leasehold Land converted into Stock-in-trade during the year ...	2209.68		—
Closing Balance as on 31st March, 2011		2209.68	—

Schedule 7

SUNDRY DEBTORS

(Unsecured)

1. Debts outstanding for a period exceeding six months.....	439.37	447.22
2. Other Debts.....	77.77	58.59
	517.14	505.81
Less: Provision.....	395.68	395.68
Total....	121.46	110.13
<i>Note:</i>		
Considered good.....	121.46	110.13
Considered doubtful.....	395.68	395.68
Total....	517.14	505.81

Schedule 8

CASH AND BANK BALANCES

1. Cash on hand.....	5.20	5.14
2. Bank Balances:		
With Scheduled Banks:		
(i) In Current Accounts	117.33	178.29
(ii) In Short Term Deposits [includes Fixed Deposits of ₹ 105.23 lakhs (Previous year ₹ 105.23 lakhs) over which Banks have lien].....	9165.79	6205.78
	9283.12	6384.07
Total....	9288.32	6389.21

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 9

LOANS AND ADVANCES:

	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
(Unsecured)		
1. Loan and Advances to Subsidiary Companies.....	1447.88	157.04
2. Advances recoverable in cash or in kind or for value to be received.....	1049.02	1225.94
3. Inter Corporate Deposit.....	470.00	470.00
4. Balances with Central Excise Collectorate.....	4.70	4.70
5. Advance tax (Net of Provisions).....	309.52	257.46
	3281.12	2115.14
Less: Provision.....	372.96	372.96
Total....	2908.16	1742.18
 <i>Notes:</i>		
1. Considered good.....	2908.16	1742.18
Considered doubtful.....	372.96	372.96
Total....	3281.12	2115.14

2. Disclosure required by Clause 32 of the Listing Agreement (to the extent applicable):

(a) Details of Loans and Advances in the nature of loans to Subsidiaries

	(₹ in Lakhs)	
Name	Outstanding as on 31.03.2011	Maximum Amount Outstanding
Stan Plaza Limited.....	468.22	468.22
<i>Previous year</i>	0.21	0.21
Mafatlal Enterprises Limited.....	0.14	0.14
<i>Previous year</i>	0.13	0.13
Standard Salt Works Limited.....	979.52	979.52
<i>Previous year</i>	156.70	156.70

(b) Loans and Advances in the nature of loans where there is

- (i) no repayment schedule or repayment beyond seven years or
- (ii) no interest or interest below the rate prescribed in Section 372A of Companies Act, 1956 – **Nil**
(Previous year Nil)

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 10

LIABILITIES

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Current Liabilities:			
1. Sundry Creditors			
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note B7 of Schedule 15).....	—		—
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.....	337.32		508.05
	<hr/>	337.32	<hr/> 508.05
2. Other liabilities		111.10	109.03
3. VRS dues payable		5.23	5.23
4. Unclaimed Dividend		29.36	24.24
		<hr/>	<hr/>
Total....		483.01	646.55
		<hr/> <hr/>	<hr/> <hr/>

Schedule 11

PROVISIONS

Provision for Taxes (Net of Advance Tax)	55.70	55.21
Provision for Fringe benefits tax (Net of Advance Tax).....	—	5.25
Provision for disputed rent.....	583.66	583.66
Provision for gratuity.....	47.41	51.14
Provision for Compensated Absences	32.10	31.48
Proposed Dividend	482.47	482.47
Corporate Dividend Tax.....	78.27	80.13
		<hr/>
Total....	1279.61	1289.34
	<hr/> <hr/>	<hr/> <hr/>

SCHEDULES

FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule 12

OTHER INCOME

	₹ in lakhs	Previous Year From 01.04.09 To 31.03.10 ₹ in lakhs
Interest Income:		
On Fixed Deposits with Banks (Tax deducted at Source ₹ 48.33 lakhs – Previous year ₹ 91.73 lakhs)	446.34	885.62
On Inter-corporate deposit (Tax deducted at Source ₹ 3.76 lakhs – Previous year ₹ 4.66 lakhs)	37.60	46.55
On Sales Tax/Income Tax Refund.....	4.27	29.66
On Long-Term Investment.....	—	0.02
On Loan to Subsidiary (Tax deducted at Source ₹ 2.52 lakhs – Previous year Nil)	25.16	—
On others (Tax deducted at Source ₹ 0.09 lakhs – Previous year ₹ 0.13 lakhs)	4.02	3.86
Dividend on Long-Term Investments	4.66	117.79
Sundry Credit Balances written back	27.92	51.27
Miscellaneous Income.....	3.38	29.11
Royalty received (Tax deducted at Source ₹ 1.62 lakhs – Previous year ₹ 2.08 lakhs)	15.40	20.19
Sales Tax refund received	47.25	249.57
Refund of regulatory liability charges.....	112.13	127.08
Profit on sale/redemption of long-term investments.....	377.58	3.18
Sale of Transferable Development Rights (Refer Note B14 of Schedule 15).....	—	18.67
Provision for Doubtful Debts written back.....	—	149.31
Provision in respect of electricity duty written back (Refer Note B5(5) of Schedule 15)	—	1375.74
Total....	<u>1105.71</u>	<u>3107.62</u>

Schedule 13

DECREASE IN STOCKS OF FINISHED GOODS

Stocks on 31st March, 2011		
Finished goods – Traded	92.52	157.13
Less: Stocks on 31st March, 2010		
Finished goods – Traded.....	157.13	188.47
Total....	<u>(64.61)</u>	<u>(31.34)</u>

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule 14

OPERATING AND OTHER EXPENSES

	₹ in lakhs	₹ in lakhs	Previous Year From 01.04.09 To 31.03.10 ₹ in lakhs
1. Payments to and Provisions for employees:			
(a) Salaries, Wages and Bonus.....	128.14		154.24
(b) Contribution to Provident, Superannuation, Gratuity and other Funds	21.32		59.81
(c) Welfare Expenses.....	19.66		27.73
		169.12	241.78
2. Other Expenses:			
(a) Packing Material consumed.....	6.14		9.09
(b) Power and Fuel	47.92		37.31
(c) Rent	114.30		106.18
(d) Charges for Corporate Office service and facility.....	125.43		119.12
(e) Repairs:			
To Buildings	93.73		141.90
To Machinery	—		8.03
To Others	26.03		15.45
		119.76	165.38
(f) Insurance	5.94		6.05
(g) Rates and Taxes	17.07		18.22
(h) Stationery, Printing, Advertisement, Postage and Telegrams etc.	45.35		60.19
(i) Contributions and Donations	27.01		21.96
(j) Commission, Brokerage and Discount on Sales.....	2.34		7.98
(k) Transport and Freight charges	1.54		3.82
(l) Legal and Professional fees.....	102.32		84.91
(m) Consulting Fees.....	43.96		79.97
(n) Sundry Debit Balances written off	37.57		300.08
(o) Loss on write-off/sale of Fixed Assets.....	2.33		38.96
(p) Land Levelling and Development Charges.....	—		294.36
(q) Directors' Fees.....	9.64		9.04
(r) Travelling and Conveyance Expenses.....	150.50		126.42
(s) Security Charges	45.84		40.38
(t) Vehicle Expenses	46.30		38.82
(u) Temporary Manpower.....	26.98		24.28
(v) Miscellaneous Expenses.....	149.85		145.68
		1128.09	1738.20
Total....		1297.21	1979.98

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

SCHEDULE FORMING PART OF ACCOUNTS**Schedule 15****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:****A1. Basis of preparation of financial statements:**

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

A2. Use of Estimates:

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

A3. Fixed Assets:

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

Fixed Assets viz. land, buildings, plant and machinery as on 31.12.1984 had been revalued on the basis of their current replacement price as on 31.12.1985 and related factors. Accordingly, they were stated at revalued cost (Also Refer Note B17 below).

A4. Investments:

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

A5. Inventories:

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

A6. Property under Development:

Property under development (stock-in-trade) 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 (Refer Note B17 below).

A7. Doubtful Debts/Advances:

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

A8. Contingent Liabilities:

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

A9. Sales/Turnover:

Sales/Turnover includes sales value of goods and excludes other recoveries such as handling charges, transport, octroi, etc. and Value Added Tax.

A10. Revenue Recognition:

Revenue (income) is recognized when no significant uncertainty as to measurability or collectability exists.

A11. Employee Benefits:

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

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

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

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

A. SIGNIFICANT ACCOUNTING POLICIES:

A12. Depreciation:

- (i) Depreciation is provided on revalued cost of assets on the basis of residual life of assets as determined by the external valuers.
- (ii) Depreciation is also calculated on historical cost of assets (Refer Note B4 below).
- (iii) Cost of leasehold land is written off over the period of lease (Refer Note B17 below).

A13. 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.

A14. Impairment of Assets:

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

A15. 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.

A16. Taxes on Income:

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

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

B. NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

	₹ in lakhs	Previous year from 1.4.2009 to 31.3.2010 ₹ in lakhs
B1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for.....	795.15	—
B2. Managerial Remuneration U/s.198 of the Companies Act, 1956 To The Managing Director		
(i) Remuneration.....	44.70	46.49
(ii) Perquisites in cash or in kind.....	1.23	1.08
(iii) Contribution towards Provident and other Funds.....	10.60	10.60
Total Managerial Remuneration.....	<u>56.53</u>	<u>58.17</u>
B3. Payments to Auditors:		
(a) As Auditors.....	7.50	7.50
(b) For Tax Audit.....	2.50	6.50
(c) In any other manner – representation before authority, certification work, etc.....	33.70	20.38
(d) For expenses.....	0.11	0.08
(e) For service tax.....	4.51	3.54
	<u>48.32</u>	<u>38.00</u>

(includes payments made to an affiliated firm).

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	₹ in lakhs
B4. Depreciation:		<i>Previous year from 1.4.2009 to 31.3.2010</i>
(i) Depreciation is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.		
(ii) The difference of ₹ 5.58 Lakhs (<i>Previous year ₹ 5.47 lakhs</i>) between depreciation provided for the year on revalued cost of assets and that calculated on original cost/written down value of assets (revalued) for the year has been withdrawn from Revaluation Reserve Account and credited to Profit and Loss Account.		
B5. Contingent Liabilities in respect of:		
1. Claims against the Company not acknowledged as debts		
a. ESIC Claims in respect of Contractor's workers.....	68.11	68.11
b. Claims in respect of Labour matters	51.50	36.37
c. Arrears of Water charges	—	45.06
d. Disputed Rent	1364.17	1364.17
The above claims are pending before various authorities/court. The Company is confident that the cases will be successfully contested.		
2. Uncalled liability on Shares partly paid held as Investments	32.74	32.74
3. Excise Duty:		
Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	424.88	347.25
4. Guarantees given by Bank on behalf of Company.....	105.23	105.23
5. The Government of Maharashtra vide Notification No. ELD-2000/CR-1022(ii) NRG-1 dated 1st April, 2000 and No. ELD-2001/CR-1069/NRG-1 dated 4th April, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. During the previous year, the Honble High Court vide Order dated 23.02.2010 quashed and set aside the aforesaid Notification. Accordingly, the Company has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard.	1375.74	1375.74
B6. The net amount of exchange loss included in Profit and Loss Account for the year	—	(0.04)
B7. The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Schedule 10.		

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

B8. SEGMENT INFORMATION:

Information about primary business segments.

The Company's primary business segments are as follows:

- (i) Real Estate
- (ii) Trading

	<u>Real Estate</u>	<u>Trading</u>	(₹ in lakhs) <u>Total</u>
REVENUE	208.78 2037.79	730.20 705.91	938.98 2743.70
RESULT:			
Segment Result	76.20 1315.01	6.38 (6.90)	82.58 1308.11
Unallocated Corporate Expenses			1265.71 1332.79
Operating Loss			(1183.13) (24.68)
Unallocable Income			895.32 1083.58
Income tax/Wealth-tax			8.10 192.60
Excess provision for Tax			18.87 6.95
Net (Loss)/Profit after tax			(277.04) 873.25
OTHER INFORMATION:			
Segment Assets	4663.01 4899.16	320.29 399.37	4983.30 5298.53
Unallocated Corporate Assets			12001.95 12884.29
Total Assets			16985.25 18182.82
Segment Liabilities	437.95 541.57	11.28 79.42	449.23 620.99
Unallocated Corporate Liabilities			1313.39 752.29
Total Liabilities			1762.62 1373.28

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

	Real Estate	Trading	Total
Capital Expenditure	436.24	—	436.24
	<i>2139.63</i>	—	<i>2139.63</i>
Depreciation	132.58	0.71	133.29
	<i>104.99</i>	<i>0.71</i>	<i>105.70</i>

(₹ in lakhs)

The Company does not have any reportable secondary segments.

Note: Figures shown in italics are for previous year.

B9. RELATED PARTY DISCLOSURE:

(a) Names of related parties where control exists:

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

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

Name of the related party	Relationship
Shanudeep Private Limited	Enterprise over which key management personnel and their relatives are able to exercise significant influence
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla	Key Management Personnel

(c) Details of transactions with related parties:

Nature of transactions	Subsidiaries	Enterprise over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	
			Key Management Personnel	Total
Leave and Licence fees:				
Shanudeep Private Limited	— (—)	101.00 <i>(93.38)</i>	— (—)	101.00 <i>(93.38)</i>
Corporate Office and Service facilities:				
Shanudeep Private Limited	— (—)	125.43 <i>(119.12)</i>	— (—)	125.43 <i>(119.12)</i>
Payment of common expenses:				
Shanudeep Private Limited	— (—)	12.51 <i>(11.44)</i>	— (—)	12.51 <i>(11.44)</i>

(₹ in lakhs)

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

(₹ in lakhs)

Nature of transactions	Subsidiaries	Enterprise over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Unsecured Loan given during the year:				
Standard Salt Works Limited	822.82 (35.05)	— (—)	— (—)	822.82 (35.05)
Stan Plaza Limited.....	468.00 (—)	— (—)	— (—)	468.00 (—)
Interest on Unsecured Loan:				
Standard Salt Works Limited	25.16 (—)	— (—)	— (—)	25.16 (—)
Advances (net) given during the year:				
Stan Plaza Limited.....	0.02 (0.01)	— (—)	— (—)	0.02 (0.01)
Mafatlal Enterprises Limited.....	0.01 (0.01)	— (—)	— (—)	0.01 (0.01)
Managerial Remuneration:				
Mr. K. J. Pardiwalla.....	— (—)	— (—)	56.53 (58.17)	56.53 (58.17)
Directors' Sitting Fees:				
Mr. Pradeep R. Mafatlal.....	— (—)	— (—)	1.08 (1.12)	1.08 (1.12)
Mrs. Divya P. Mafatlal	— (—)	— (—)	0.80 (0.80)	0.80 (0.80)
Outstanding balances – Receivables as on 31st March, 2011:				
Standard Salt Works Limited				
Unsecured Loan	979.52 (156.70)	— (—)	— (—)	979.52 (156.70)
Interest accrued and not due	22.65 (—)	— (—)	— (—)	22.65 (—)
Stan Plaza Limited				
Unsecured Loan	468.00 (—)	— (—)	— (—)	468.00 (—)
Advances receivable	0.22 (0.21)	— (—)	— (—)	0.22 (0.21)
Mafatlal Enterprises Limited				
Advances receivable	0.14 (0.13)	— (—)	— (—)	0.14 (0.13)

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.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	Previous year from 1.4.2009 to 31.3.2010 ₹ in lakhs
B10. ASSETS TAKEN ON OPERATING LEASE:		
(a) Future lease rentals in respect of Premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year	97.20	32.98
Amount due later than one year and not later than five years	328.70	—
Amount due later than five years	—	—
(b) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is ₹ 93.08 lakhs (Previous year ₹ 86.40 lakhs)		
B11. EARNINGS PER SHARE:		
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:		
Profit after taxes (₹ in lakhs) attributable to Equity Shareholders	(277.04)	873.25
Weighted average number of equity shares outstanding during the year (Nos.)	64328941	64328941
Basic/Diluted Earnings per share (₹)	(0.43)	1.36
Nominal value per share (₹)	5.00	5.00
B12. COMPONENTS OF DEFERRED TAX ASSET/(LIABILITY) ARE AS UNDER:		
Difference in Tax and Book Written Down Value of fixed assets	(41.89)	(26.38)
Unabsorbed carry forward Business Loss.....	1071.29	668.26
Disallowance U/s. 43B of Income-tax Act, 1961.....	0.04	0.05
Provision for Doubtful Debts	122.27	134.49
Provision for Doubtful Advances	115.24	126.77
VRS Expenses not written off	207.84	251.07
Leave Encashment provision	9.92	10.70
Provision for Gratuity	14.65	17.38
Deferred Tax Asset (Net)*	<u>1499.36</u>	<u>1182.34</u>

* The Net Deferred Tax Asset as at March 31, 2011 has not been accounted in view of the requirements of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

B13. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

A. Quantities and Sales value in respect of each class of goods dealt with by the Company:

Class of goods	Unit	Quantity*	Sales value	Previous year	
			₹	from 1.4.2009	to 31.3.2010
			in lakhs	Quantity*	in lakhs
(i) Cloth.....	Mtrs.	978866**	701.03	1065066**	663.84
(ii) Made-ups.....	Sets	5860	27.56	7326	25.79
(iii) Caustic Soda and Potassium Carbonate (Purchased).....	MT	—	—	93.861	16.16
			<u>728.59</u>	<u>1167.252</u>	<u>705.79</u>

* Sales include goods given as free samples.

** Actual sale of Cloth in Item No. (i) includes fabrics converted into Made-ups.

Class of goods	Unit	Quantity	Value	Value	
			₹	Quantity	in lakhs
			in lakhs	Quantity	in lakhs
B. Goods traded in:					
Purchases:					
Cloth.....	Metres	874321	627.00	1007115	621.53
Caustics Soda and Potassium Carbonate (Purchased).....	MT	—	—	93.861	15.96
Opening stocks:					
Cloth.....	Metres	198825	157.13	256776	188.47
Closing stocks:					
Cloth.....	Metres	94280	92.52	198825	157.13

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

C. Quantitative information with regard to class of goods manufactured:

	Unit	Licensed Capacity	Installed Capacity	Actual production	Licensed Capacity	Installed Capacity	Actual production
(i) Cloth and Yarn							
Looms	Nos.	2112	—	—	2112	—	—
Spindles	Nos.	100448	—	—	100448	—	—
(ii) Garments.....	Pieces	12 lakhs	—	—	12 lakhs	—	—
(iii) Caustic Soda, Caustic Potash, Chlorine, Hydrochloric Acid (Commercial) and Potassium Carbonate	M.T.	191770	—	—	191770	—	—

Notes:

- Licensed capacity includes capacity for Hydrochloric Acid (100%).
- The installed capacities in respect of class of goods under item (iii) above are as per Returns to the Directorate General of Technical Development, Government of India.
- The Company is permitted to manufacture 2.2 Dichloro Diethyl Ether (DDE) to the extent of 200 tonnes per annum within the overall capacity of 500 tonnes of Ethylene Chlorohydrine.

	₹ in lakhs	₹ in lakhs
D. Value of Imports on CIF basis in respect of:		
Capital Goods.....	6.98	—
E. Expenditure in foreign currency (on accrual basis) on account of:		
(i) Travelling.....	45.51	25.81
(ii) Referral/Consultancy Fees	—	24.18
(iii) Advertisement Expenses.....	—	10.87
Total.....	45.51	60.86
	₹ % to total in lakhs Consumption	₹ % to total in lakhs Consumption
F. Value of stores and spare parts consumed:		
Imported.....	—	—
Indigenous (Packing materials).....	6.14	100.00
Total.....	6.14	100.00

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	₹ in lakhs
G. Consumption of Stores and Spares during the year:		
Stores and Spares (Packing materials)	6.14	9.09
H. Amount remitted during the financial year in foreign currency on account of dividends:		
The particulars of dividends paid to non-resident shareholders as under:		
	1.4.2009 to 31.3.2010	Previous period from 1.10.2007 to 31.3.2009
Year to which dividend relates		
Number of non-resident Shareholders	3	3
Number of Equity Shares held by them on which Dividend was due.....	25000087	25000087
Amount remitted in foreign currency on account of dividends – ₹ in lakhs.....	187.50	125.00
B14. The Company has received an amount aggregating to Nil (Previous year ₹ 18.67 lakhs) on account of sale of Transferable Development Rights (TDR) on Nil (Previous year 119.63 sq. metres) out of total 1659.63 sq. metres of land, generated consequent to surrender of land at Sewree, Mumbai to Maharashtra Housing and Area Development Authority (MHADA) as per various Agreements/MOUs which has been disclosed in Schedule 12 – “Other Income”.		
B15. The Company has an investment in a wholly owned subsidiary, namely, Standard Salt Works Limited (SSWL) aggregating to ₹ 60.78 lakhs (Previous year ₹ 60.78 lakhs). During the year, the Company gave amounts aggregating to ₹ 782.50 lakhs as unsecured loan. The balance outstanding of such loan, which is interest bearing and business advances given to SSWL over a period of time, which are converted to interest free unsecured loans during the year, aggregate to ₹ 979.52 lakhs as at the year-end. As per the latest available balance sheet of SSWL, as at 31st March, 2011, its net worth has been eroded. However, in view of the long-term strategic nature of the investment and the future growth prospects of the subsidiary, no provision for diminution in the value of the investment and for the unsecured loans is considered necessary at this stage.		
B16. The Company has received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended 31st March, 2007 relating to its chemical products, audited by a specified cost auditor. However, since the operations at the Chemical Plant have been closed, the Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.		
B17. The Company had entered into a Lease Agreement dated 1st April, 1967 with Maharashtra Industrial Development Corporation (MIDC) for a term of 100 years, calculated from 1st August, 1965, in respect of land admeasuring 92.25 acres located at Plot No. 4, in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluke Thane, District Thane.		
Out of the above, the Company, in an earlier year, has transferred and assigned all its rights, title and interest in respect of land admeasuring 30 acres to a party for consideration.		

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

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

B18. Employees Retirement Benefits:

(a) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" as per actuarial valuation on 31st March, 2011 regarding the Employees Retirement Benefits Plan for gratuity are as follows:

Particulars	₹ in lakhs	<i>Previous year</i> ₹ in lakhs
Projected benefit obligation at the beginning of the year	148.90	115.42
Current Service cost	3.24	4.58
Interest cost	11.17	7.92
Actuarial (Gain)/Loss	(4.03)	34.71
Benefits paid	(10.68)	(13.73)
Projected benefit obligation, end of the year.	148.60	148.90
Defined Benefit obligation liability as at the balance sheet date is wholly funded by the Company.		
Change in Plan Assets		
Fair Value of Assets at the beginning of the year	103.36	84.40
Expected Return on Assets	8.27	9.62
Actuarial Gain/(Loss)	40.33	(19.75)
Benefits Paid	(10.68)	(13.73)
Contributions	4.60	42.82
Fair Value of Plan Assets at the end of the year	145.88	103.36
Gratuity Cost for the year		
Current Service Cost	3.24	4.58
Interest Cost	11.17	7.92
Expected Return on Assets	(8.27)	(9.62)
Net Actuarial (Gain)/Loss	(44.36)	54.44
Net Periodic Gratuity Cost	(38.22)	57.32

STANDARD INDUSTRIES LTD.

SCHEDULE FORMING PART OF ACCOUNTS

Schedule 15 (Contd.)

B. NOTES ON ACCOUNTS:

(b) Assumptions:

	Current year	<i>Previous year</i>
Discount Rate.....	7.50%	7.50%
Rate of increase in compensation levels of covered employees.....	4.00%	4.00%
Rate of Return on Plan Assets Current.....	8.00%	8.00%

B19. The figures of previous year have been regrouped wherever necessary to correspond with those of current year.

SIGNATURES TO SCHEDULES 1 TO 15

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 30th May, 2011

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 30th May, 2011

RUSSI JAL TARAPOREVALA

V. C. VAIDYA

M. L. APTE

F. M. PARDIWALLA

DIVYA P. MAFATLAL

} *Directors*

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I.	Registration No. 89 Balance Sheet Date 31-03-2011	State Code 11
II.	Capital raised during the year (Amount in ₹ thousands)	
	Public Issue Nil	Rights issue Nil
	Bonus Issue Nil	Private Placement Nil
III.	Position of Mobilisation and Deployment of Funds (Amount in ₹ thousands)	
	Total Liabilities 1698525	Total Assets 1698525
	Sources of Funds:	
	Paid-up Capital 321645	Reserves and Surplus 1200618
	Secured Loans Nil	Unsecured Loans Nil
	Application of Funds:	
	Net Fixed Assets 145097	Investments 91414
	Net Current Assets 1285752	Miscellaneous Expenditure —
IV.	Performance of the Company (Amount in ₹ thousands)	
	Turnover 72859	Total Expenditure 206308
	Profit/(Loss) before tax (28781)	Profit/(Loss) after tax (27704)
	Earnings per share ₹ (0.43) (Refer Note B11 of Schedule 15)	Dividend 0.75 per share
V.	Generic Names of the Three Principal Products/Services of the Company (as per monetary terms)	
	Item Code No.	5 4 0 7 5 1 - 0 9
	Product Description	Polyester Cotton Grey Fabrics
	Item Code No.	2 8 1 5 - 1 1
	Product Description	Caustic Soda
	Item Code No.	6 2 0 5 2 0 - 0 2
	Product Description	Men's Shirt

STANDARD INDUSTRIES LTD.

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

Sr. No.	Particular	Standard Salt Works Ltd.	Stan Plaza Limited	Mafatlal Enterprises Limited
a.	Capital	14.26	5.00	5.00
b.	Reserves	(451.31)	(2.56)	(1.60)
c.	Total Assets	597.92	936.87	3.63
d.	Total Liabilities	1034.98	934.43	0.23
e.	Details of Investments (except investment in subsidiaries)	0.54	259.22	—
f.	Turnover	97.36	—	—
g.	(Loss)/Profit before Taxation	(406.30)	(0.09)	(0.08)
h.	Provision for Taxation	0.03	0.15	—
i.	(Loss)/Profit after Taxation	(406.27)	0.06	(0.08)
j.	Proposed Dividend	—	—	—

AUDITORS' REPORT

TO
THE BOARD OF DIRECTORS OF
STANDARD INDUSTRIES LIMITED.

1. We have audited the attached Consolidated Balance Sheet of Standard Industries Limited Group as at 31st March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Standard Industries Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 940.50 lakhs as at 31st March, 2011, total revenue of ₹ Nil and Net cash flows amounting to ₹ 933 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Standard Industries Limited's management in accordance with the requirements of the Accounting Standard (AS) 21 on "Consolidated Financial Statements" as notified under the companies (Accounting Standard) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Standard Industries Limited Group as at 31st March, 2011;
 - b. in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date and
 - c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

A. B. JANI
Partner

Membership No. 46488

Place : Mumbai,

Dated : 30th May, 2011

STANDARD INDUSTRIES LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
I. SOURCES OF FUNDS:				
1				
1 SHAREHOLDERS' FUNDS:				
(a)	1	3216.45		3216.45
(b)	2	11556.35		12986.93
			14772.80	16203.38
2 LOAN FUNDS:				
(a)	3		465.00	—
	Total....		15237.80	16203.38
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS: 4				
(a)		2782.33		4410.33
(b)		1064.00		758.63
(c)		1718.33		3651.70
(d)		292.02		—
			2010.35	3651.70
2. INVESTMENTS..... 5				
			1103.12	6167.38
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a)	6	131.73		209.10
(b)	7	2209.68		—
(c)	8	125.25		116.48
(d)	9	9301.19		6404.37
(e)	10	2153.21		1618.92
		13921.06		8348.87
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a)	11	505.56		666.42
(b)	12	1291.17		1298.15
		1796.73		1964.57
NET CURRENT ASSETS				
			12124.33	6384.30
	Total....		15237.80	16203.38
Significant Accounting Policies and Notes on Accounts	16			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 30th May, 2011

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 30th May, 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	₹ in lakhs	₹ in lakhs	Previous Year From 1.4.2009 To 31.03.2010 ₹ in lakhs
INCOME:				
Sales.....			825.95	880.85
Other Income.....	13		1081.18	3108.55
Amount withdrawn from Revaluation Reserve			5.58	5.47
(Refer Note B5 of Schedule 16)				
Decrease in stocks of finished goods and process stock	14		(77.37)	(8.56)
			<u>1835.34</u>	<u>3986.31</u>
EXPENDITURE:				
Purchase of traded goods			627.00	637.49
Operating and other Expenses.....	15		1425.87	2188.68
Depreciation/Amortisation			476.75	117.04
			<u>2529.62</u>	<u>2943.21</u>
(Loss)/Profit before taxes			(694.28)	1043.10
Provision for tax:				
Current Tax [including ₹ 8.10 lakhs , (Previous year ₹ 7.60 lakhs) for Wealth Tax].....			(8.10)	(192.60)
Excess Provision for Taxes in respect of earlier years			19.05	6.95
(Loss)/Profit after taxes.....			(683.33)	857.45
Balance brought forward from previous year.....			9239.82	8989.97
Balance available for appropriation			8556.49	9847.42
APPROPRIATIONS:				
Proposed Dividend on Equity Shares			482.47	482.47
Corporate Tax on dividend.....			78.27	80.13
Transfer to General Reserve.....			—	45.00
Surplus carried to Balance Sheet.....			<u>7995.75</u>	<u>9239.82</u>
Basic and Diluted earnings per share (₹).....			(1.06)	1.33
Nominal Value per share (₹)			5.00	5.00
(Refer Note B11 of Schedule 16)				
Significant Accounting Policies and Notes on Accounts	16			

In terms of our report attached

P. R. MAFATLAL
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

K. J. PARDIWALLA
Managing Director

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 30th May, 2011

Mumbai, Dated: 30th May, 2011

STANDARD INDUSTRIES LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹		Previous year from 1.4.2009 to 31.03.2010	
	in lakhs	in lakhs	in lakhs	in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET (LOSS)/PROFIT BEFORE TAXES		(694.28)		1043.10
Adjustments for:				
Depreciation.....	471.17		111.57	
Sundry Debit balances written off.....	37.57		300.08	
Provision for Doubtful debts written back	—		(149.31)	
Loss on Write off/Sale of Fixed Assets.....	3.34		38.96	
Provision in respect of Electricity duty written back	—		(1375.74)	
Sundry Credit balances written back	(27.92)		(51.27)	
Dividend on Long Term Investments	(4.66)		(117.79)	
Interest income on Fixed Deposits with Banks.....	(446.34)		(885.62)	
Interest income on Inter Corporate Deposit.....	(37.60)		(46.55)	
Interest income on Long Term Investments.....	—		(0.02)	
VRS Expenses Paid.....	—		(0.40)	
Sale of Transferable Development Rights	—		(18.67)	
Profit on Redemption of Long Term Investments ...	(377.58)		(3.18)	
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES.....		(382.02)		(2197.94)
(Increase)/Decrease in Trade and Other Receivables.....	(479.34)		166.13	
Decrease in Inventories.....	77.37		8.55	
Decrease in Trade and other payables	(138.40)		(209.93)	
		(540.37)		(35.25)
		(1616.67)		(1190.09)
Direct Taxes paid		(56.32)		(261.05)
NET CASH USED IN OPERATING ACTIVITIES (A).....		(1672.99)		(1451.14)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets.....	(1229.35)		(1854.91)	
Purchase of Long Term Investments	(528.85)		(11130.81)	
Sale of Long Term Investments	5970.69		6339.91	
Sale of Fixed Assets.....	—		2.75	
Sale of Transferable Development Rights	—		18.67	
Dividend on Long Term Investments	4.66		117.79	
Interest income on Fixed Deposits with Banks.....	407.54		838.02	
Interest income on Inter Corporate Deposit.....	37.60		46.55	
Interest income on Long Term Investments.....	—		0.02	
Inter Corporate Deposits given.....	—		(120.00)	
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B).....		4662.29		(5742.01)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	₹		Previous year from 1.4.2009 to 31.03.2010	
	in lakhs	in lakhs	in lakhs	in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Unsecured Loans.....	465.00		—	
Dividend Paid.....	(477.35)		(318.21)	
Corporate Dividend Tax paid	(80.13)		(54.66)	
NET CASH USED IN FINANCING ACTIVITIES (C)		(92.48)		(372.87)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C).....		2896.82		(7566.02)
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (OPENING BALANCE).....		6404.37		13970.39
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (CLOSING BALANCE)		9301.19		6404.37

NOTES:

- Components of cash and cash equivalents include cash and bank balances (Refer Schedule - 9 forming part of the Balance Sheet).
- Bank balances include balance in fixed deposits of the parent company aggregating to ₹ **105.23 lakhs** (Previous year ₹ 105.23 lakhs) over which the Banks have lien.
- Cash and Cash equivalents include current balances in current account with Banks of the parent company aggregating to ₹ **30.55 lakhs** (Previous year ₹ 25.44 lakhs) which are restricted in use on account of unclaimed Dividends.
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON ACCOUNTS (Refer Schedule 16)

In terms of our report attached

P. R. MAFATLAL
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

K. J. PARDIWALLA
Managing Director

A. B. JANI
Partner

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 30th May, 2011

Mumbai, Dated: 30th May, 2011

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 1

SHARE CAPITAL

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Authorised:			
15,00,00,000 Equity shares of ₹ 5/- each.....		<u>7500.00</u>	<u>7500.00</u>
Issued, Subscribed and Paid up:			
6,43,28,941 Equity shares of ₹ 5/- each.....		3216.45	3216.45
Notes:			
(a) 3,98,000 Equity Shares of the Parent Company of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to a contract without payment being received in cash.			
(b) 26,34,000 Equity Shares of the Parent Company of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to conversion of convertible Bonds.			
(c) 2,17,85,376 Equity Shares of the Parent Company of the original value of ₹ 10/- each are allotted as fully paid-up by way of Bonus shares by capitalisation of Reserves and Securities Premium Account.			
(d) 32,50,325 Equity Shares of the Parent Company of the original value of ₹ 10/- each are allotted as fully paid-up pursuant to conversion of Partly Convertible Debentures.			
Total....		<u>3216.45</u>	<u>3216.45</u>

Schedule 2

RESERVES AND SURPLUS

1. Capital Reserve:			
Cash Subsidy received		4.14	4.14
2. Capital Redemption Reserve Account		12.00	12.00
3. Securities Premium Account		2526.90	2526.90
4. Revaluation Reserve:			
As per last Balance Sheet.....	200.07		205.54
Less: Adjustment on account of revalued asset transferred to Stock-in-trade..... (Refer Note B14 of Schedule 16)	180.93		—
	<u>19.14</u>		<u>205.54</u>
Less: Withdrawn from the Reserve and credited to Profit and Loss Account	5.58		5.47
		<u>13.56</u>	<u>200.07</u>
5. General Reserve:			
As per last Balance Sheet.....	1004.00		959.00
Transferred from Profit and Loss Account.....	—		45.00
		<u>1004.00</u>	<u>1004.00</u>
6. Surplus in Profit and Loss Account		7995.75	9239.82
Total....		<u>11556.35</u>	<u>12986.93</u>

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 3

UNSECURED LOANS:

	₹	₹	As at 31.03.2010
	in lakhs	in lakhs	₹
			in lakhs
From a Company.....		465.00	—
Total....		465.00	—

Schedule 4

FIXED ASSETS

(₹ In lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at* 01.04.2010	Additions	Deductions/ Transfer	As at 31.03.2011	Upto 31.03.2010	For the year	Deductions/ Transfer	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Goodwill on consolidation.....	50.77	—	—	50.77	—	—	—	—	50.77	50.77	
Land (Including Leasehold) (Refer Notes 1 and 6 below)	2542.25	—	2516.43	25.82	80.34	45.48	125.82	—	25.82	2461.91	
Buildings	703.38	53.32	—	756.70	155.86	11.54	—	167.40	589.30	547.52	
Plant and Machinery	276.49	21.64	48.90	249.23	142.70	21.08	45.56	118.22	131.01	133.79	
Salt Work, Reservoirs, etc	86.19	786.06	—	872.25	86.18	333.32	—	419.50	452.75	0.01	
Furniture Fixture and Dead Stock	289.86	12.88	—	302.74	166.96	18.86	—	185.82	116.92	122.90	
Motor Cars and Vehicles	461.39	63.43	—	524.82	126.59	46.47	—	173.06	351.76	334.80	
Total....	4410.33	937.33	2565.33	2782.33	758.63	476.75	171.38	1064.00	1718.33	3651.70	
Previous Year	2378.40	2164.66	132.73	4410.33	732.61	117.04	91.02	758.63			
Capital work in progress (including advances for Capital Expenditure)									292.02	—	
									Total	2010.35	3651.70

Notes:

1. * Fixed Assets of Textiles and Chemicals Divisions of the Company i.e. land, buildings, plant and machinery as on 31.12.1984 have been revalued by external valuers on the basis of their replacement prices as on 31.12.1985 and related factors. This had resulted in increase in the net value of the said assets by ₹ 5187.34 lakhs (Gross ₹ 10985.11 lakhs less accumulated depreciation ₹ 5797.77 lakhs), which had been transferred to Revaluation Reserve. During the year Company had transferred the leasehold land to Property under Development (Stock-in-trade). Appropriate adjustments to the balance in Revaluation Reserve, as a result on this transfer, have been made.
2. Buildings include ₹ 482.60 lakhs being the original cost of ownership flats. The Parent Company holds 125 Shares of the aggregate face value of ₹ 0.06 lakh, (Previous year ₹ 0.06 lakh) in Co-operative Societies under the bye-laws of the Societies. The shares in respect of certain flats are yet to be received.
3. Addition to the Salt Works made during the year include costs incurred for levelling, compacting, excavating, developing of Salt fields and roads, etc.
4. Depreciation for the year includes depreciation provided on revalued cost of assets.
5. Goodwill has arisen on consolidation of accounts of the Parent Company with its subsidiaries.
6. Also Refer Note B14 of Schedule 16.

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 5

INVESTMENTS (LONG-TERM) (AT COST)

	₹ in lakhs	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
1. In Government securities (Unquoted) of the face value of ₹ 0.54 lakh held as security by Government authorities (since matured).....			0.54	0.54
2. In Equity Shares/Bonds of other companies/Mutual funds (Fully paid-up):				
(a) Non-Trade Investments: (Quoted)				
13320 Equity Shares of NOCIL of the face value of ₹ 10/- each.....	0.17			0.17
15924 (Previous year 1350) Equity Shares of Stanrose Mafatlal Investment & Fin. Limited of the face value of ₹ 10/- each.....	16.66			1.09
20000 Equity Shares of Finolex Industries Ltd. of the face value of ₹ 10/- each.....	11.44			11.44
2400 Equity Shares of State Bank of India of the face value of ₹ 10/- each.....	38.16			38.16
		66.43		50.86
(b) Non-Trade Investments: (Unquoted)				
200 Equity Shares of Stanrose Mafatlal Lubechem Limited of the face value of ₹ 5/- each.....	—*			—*
2000 Equity Shares of Syngenta India Limited of the face value of ₹ 10/- each.....	8.69			8.69
5500000 Units of Tata Fixed Maturity Plan ₹ 10/- each.....	550.00			550.00
Carried Forward....	558.69	66.43	0.54	0.54

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 5 (Contd.)

INVESTMENTS (LONG-TERM) (AT COST)

	₹ in lakhs	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Brought Forward....	558.69	66.43	0.54	0.54
2164932.688 Units (Previous year 41969.317 units) of HDFC Cash management Fund (TAP) ₹ 10/- each	217.17			4.21
10729.038 Units (Previous year 30893.994 units) of Templeton India Cash Management Account ₹ 10/- each	1.07			3.08
Nil Units (Previous year 3556578.701 units) of Fortis Flexi Debt Fund ₹ 10/- each	—			550.00
Nil Units (Previous year 50000000 units) HDFC Fixed Maturity Plan ₹ 10/- each	—			5000.00
1447714 (Previous year Nil) Equity Shares of Calypso Premises Pvt. Ltd. of face value ₹ 10/- each.....	259.22			—
		1036.15		
			1102.58	6166.84
Total....			1103.12	6167.38

Note:

	Cost ₹ in lakhs	Market Value ₹ in lakhs
1. (a) Aggregate of quoted investments.....	66.43	98.97
Previous year.....	50.86	66.72
(b) Aggregate of unquoted investments	1036.69	
Previous year.....	6116.52	
Total....	1103.12	
Previous year....	6167.38	

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

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 6

INVENTORIES

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Finished Goods		108.21	187.04
[Includes traded goods ₹ 92.52 lakhs (Previous year ₹ 157.13 lakhs)]			
Process Stock.....		23.52	22.06
Total....		<u>131.73</u>	<u>209.10</u>

Schedule 7

PROPERTY UNDER DEVELOPMENT (Stock-in-Trade)

(Refer Note B14 of Schedule 16)

Opening balance as on 1st April, 2010.....	—	—
Add: Leasehold land converted into Stock-in-Trade during the year	<u>2209.68</u>	—
Closing balance as on 31st March, 2011.....		<u>2209.68</u>

Schedule 8

SUNDRY DEBTORS

Unsecured:

1. Debts outstanding for a period exceeding six months.....	439.47	447.32
2. Other Debts.....	81.46	64.84
	<u>520.93</u>	512.16
Less: Provision.....	395.68	395.68
Total....	<u>125.25</u>	<u>116.48</u>

Note:

Considered good.....	125.25	116.48
Considered doubtful.....	395.68	395.68
Total....	<u>520.93</u>	<u>512.16</u>

Schedule 9

CASH AND BANK BALANCES

1. Cash on hand.....	5.56	5.15
2. Bank Balances:		
With Scheduled Banks:		
(i) In Current Accounts	129.84	193.44
(ii) In Short Term Deposits [includes Fixed Deposits of ₹ 105.23 lakhs of the parent company (Previous year ₹ 105.23 lakhs) over which Banks have lien]	9165.79	6205.78
	<u>9295.63</u>	6399.22
Total....	<u>9301.19</u>	<u>6404.37</u>

SCHEDULES

FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 10

LOANS AND ADVANCES:

	₹ in lakhs	₹ in lakhs	As at 31.03.2010 ₹ in lakhs
Unsecured:			
1. Advances recoverable in cash or in kind or for value to be received*		1725.61	1243.48
2. Inter Corporate Deposit.....		470.00	470.00
3. Balances with Central Excise Collectorate.....		4.70	4.70
4. Advance tax (Net of provisions).....		325.31	273.15
5. Interest accrued and due on investment.....		0.55	0.55
		<u>2526.17</u>	<u>1991.88</u>
Less: Provision.....		<u>372.96</u>	<u>372.96</u>
		<u>2153.21</u>	<u>1618.92</u>
* Includes ₹ 5 lakhs (Previous year ₹ 5 lakhs) paid under protest to authorities.			
<i>Notes:</i>			
Considered good.....		2153.21	1618.92
Considered doubtful.....		372.96	372.96
Total....		<u>2526.17</u>	<u>1991.88</u>

Schedule 11

LIABILITIES

Current Liabilities:

1. Sundry Creditors			
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note B7 of Schedule 16).....	—		—
(ii) Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises.....		353.93	524.48
		<u>353.93</u>	<u>524.48</u>
2. Other liabilities		117.04	112.47
3. VRS dues payable.....		5.23	5.23
4. Unclaimed Dividend		29.36	24.24
Total....		<u>505.56</u>	<u>666.42</u>

Schedule 12

PROVISIONS

Provision for Taxes (Net of Advance tax)	57.21	56.74
Provision for Fringe benefits tax (Net of Advance tax)	—	5.25
Provision for disputed rent.....	583.66	583.66
Provision for gratuity.....	57.46	58.42
Provision for compensated absences	32.10	31.48
Proposed Dividend.....	482.47	482.47
Corporate Dividend Tax.....	78.27	80.13
Total....	<u>1291.17</u>	<u>1298.15</u>

STANDARD INDUSTRIES LTD.

SCHEDULES

FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (CONSOLIDATED)

Schedule 13

OTHER INCOME

	₹ in lakhs	₹ in lakhs	Previous year from 1.4.2009 to 31.03.2010 ₹ in lakhs
Interest Income:			
On Fixed Deposits with Banks (Tax deducted at source ₹ 48.33 lakhs (Previous year ₹ 91.37 lakhs).....		446.34	885.62
On Inter Corporate Deposits (Tax deducted at source ₹ 3.76 lakhs (Previous year ₹ 4.66 lakhs).....		37.60	46.55
On Sales tax/Income tax Refund.....		4.27	29.66
On Long Term Investments.....		—	0.02
On Others (Tax deducted at source ₹ 0.09 lakhs (Previous year ₹ 0.13 lakhs).....		4.02	3.86
Dividend on Long Term Investments.....		4.66	117.79
Sundry Credit Balances written back.....		27.92	51.27
Miscellaneous Income.....		4.01	30.04
Royalty received (Tax deducted at source ₹ 1.62 lakhs (Previous year ₹ 2.08 lakhs)].....		15.40	20.19
Sales tax refund received.....		47.25	249.57
Refund of Regulatory Liability charges.....		112.13	127.08
Profit on sale/redemption of long term investments.....		377.58	3.18
Sale of Transferable Development Rights (Refer Note B13 of Schedule 16).....		—	18.67
Provision in respect of Electricity duty written back (Refer Note B2(5) of Schedule 16).....		—	1375.74
Provision in respect of Doubtful Debts/Advances written back.....		—	149.31
Total....		<u>1081.18</u>	<u>3108.55</u>

Schedule 14

DECREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK

Stocks on 31st March, 2011			
Finished goods.....	108.21		187.04
Process stock.....	23.52		22.06
		<u>131.73</u>	<u>209.10</u>
Less: Stocks on 31st March, 2010			
Finished goods.....	187.04		202.05
Process stock.....	22.06		15.61
		<u>209.10</u>	<u>217.66</u>
Total....		<u>(77.37)</u>	<u>(8.56)</u>

SCHEDULES

**FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011
(CONSOLIDATED)**

Schedule 15

OPERATING AND OTHER EXPENSES

	₹ in lakhs	₹ in lakhs	Previous year from 1.4.2009 to 31.03.2010 ₹ in lakhs
1. Payments to and Provisions for employees:			
(a) Salaries, Wages and Bonus.....	141.85		165.68
(b) Contribution to Provident, Superannuation, Gratuity and other Funds.....	22.41		60.79
(c) Welfare Expenses.....	20.71		30.48
		184.97	256.95
2. Other Expenses:			
(a) Stores and Spare-parts consumed.....		6.33	9.18
(b) Power and Fuel.....		73.20	66.32
(c) Rent		116.91	109.43
(d) Charges for Corporate Office service and facility		125.43	119.12
(e) Repairs:			
To Buildings	94.17		147.47
To Machinery.....	2.56		10.05
To Salt Works.....	26.03		71.27
To Others.....	18.63		15.45
		141.39	244.24
(f) Labour Charges.....		28.15	28.79
(g) Insurance		6.21	6.29
(h) Rates and Taxes		17.57	19.17
(i) Stationery, Printing, Advertisement, Postage and Telegrams, etc.....		45.35	60.19
(j) Contributions and Donations		27.01	22.17
(k) Commission, Brokerage and Discount on Sales.....		2.34	7.98
(l) Transport and Freight charges.....		6.09	10.61
(m) Consulting Fees.....		43.96	79.97
(n) Legal and Professional Fees.....		106.18	86.47
(o) Sundry Debit balances written off.....		37.57	300.08
(p) Loss on write off/sale of Fixed Assets		3.34	38.96
(q) Land levelling and Development charges.....		—	294.36
(r) Directors' Fees		9.67	9.06
(s) Travelling and Conveyance Expenses.....		152.87	129.17
(t) Security charges.....		45.84	40.38
(u) Vehicle Expenses.....		47.51	39.22
(v) Temporary Manpower.....		26.98	24.28
(w) Royalty and Cess.....		6.03	14.92
(x) Miscellaneous expenses		164.97	171.37
Total....		1425.87	2188.68

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

STANDARD INDUSTRIES LTD.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

A1. Basis of preparation of financial statements:

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

A2. Use of Estimates:

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

A3. Fixed Assets:

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

Fixed Assets of the Parent Company, viz. land, buildings, plant and machinery as on 31.12.1984 had been revalued on the basis of their current replacement price as on 31.12.1985 and related factors. Accordingly, they were stated at revalued cost. (Refer Note B14 below).

A4. Investments:

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

A5. Inventories:

Inventories (Traded Goods) 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.

A6. Property Under Development:

Property under development (Stock-in-trade) represents leasehold land of the Parent Company converted into stock-in-trade on the basis of lower of the cost and fair value as valued by external valuers on the date of conversion (Refer Note B14 below).

A7. Doubtful Debts/Advances:

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

A8. Contingent Liabilities:

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

A9. Sales/Turnover:

Sales/Turnover includes sales value of goods and excludes other recoveries such as handling charges, transport, octroi, etc. and Value Added Tax.

A10. Revenue Recognition:

Revenue (income) is recognized when no significant uncertainty as to measurability or collectability exists.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

A. SIGNIFICANT ACCOUNTING POLICIES:

A11. Employee Benefits:

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

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

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

A12. Depreciation:

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

(ii) Depreciation is also calculated on historical cost of assets (Refer Note B5 below).

(iii) Cost of leasehold land is written off over the period of lease (Refer Note B14 below).

A13. 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.

A14. Impairment of Assets:

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

A15. 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.

A16. Taxes on Income:

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

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

B. NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

	₹ in lakhs	Previous year from 01.04.2009 to 31.03.2010 ₹ in lakhs
B1. Estimated amount of contract remaining to be executed on Capital Account and not provided for.....	795.15	—
B2. 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	68.11	68.11

STANDARD INDUSTRIES LTD.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	Previous year from 01.04.2009 to 31.03.2010 ₹ in lakhs
b. Claims in respect of Labour matters	51.50	36.37
c. Arrears of Water charges	—	45.06
d. Disputed Rent.....	1364.17	1364.17
e. Amount claimed by Taluka Development Officer towards Local Cess and Education Cess	41.17	41.17
<p>The Company has contested this claim and has paid an amount of ₹ 5,00,000/- under protest.</p> <p>The above claims are pending before various authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested.</p>		
2. Uncalled liability on Shares partly paid held as Investments.....	32.74	32.74
3. Excise Duty: Represents demands raised by Excise authorities in the matter of disputes relating to classification of ICL fabrics, captive consumption of yarn and various other matters for which appeals are pending before various appellate authorities. The Standard Industries Limited Group is confident that the cases will be successfully contested.....	424.88	347.25
4. Guarantees given by Bank on behalf of Company	105.23	105.23
5. The Government of Maharashtra vide Notification Nos. ELD-2000/CR-1022(ii) NRG-1 dated 1st April, 2000 and Nos. ELD-2001/CR-1069/NRG-1 dated 4th April, 2001 had sought to charge electricity duty on the power generated by Captive Power Plant (CPP). The Companies having CPP had petitioned the Hon'ble High Court at Mumbai against the said Notification contesting the aforesaid levy of duty. During the previous year, the aside the aforesaid Notification. Accordingly, the Company has written back the provision for the said duty provided in earlier years aggregating to ₹ 1375.74 lakhs. The Government of Maharashtra has filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court of India against the aforesaid Order of the Hon'ble High Court at Mumbai. The Company is confident of success in this SLP when heard.....	1375.74	1375.74
6. Disputed demand of Income-tax	6.31	6.31
<p>These represent demand raised by Income-tax Department on various matters for which disputes are pending before various Appellate Authorities. The Standard Industries Limited Group is confident that all these cases can be successfully contested. The amounts paid under protest there against have been included in "Advance Payment of Tax".</p>		

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	Previous year from 01.04.2009 to 31.03.2010 ₹ in lakhs
B3. Managerial Remuneration U/s.198 of the Companies Act, 1956		
To The Managing Director:		
(i) Remuneration	44.70	46.49
(ii) Perquisites in cash or in kind	1.23	1.08
(iii) Contribution towards Provident and other Funds..	10.60	10.60
Total Managerial Remuneration	56.53	58.17
B4. Payments to Auditors:		
(a) As Auditors	7.85	7.75
(b) For Audit of Accounts for tax purposes and Tax Audit.....	3.45	6.50
(c) As Advisor or in any other capacity in respect of: Taxation matters.....	—	0.60
(d) In any other manner – representation before authority, certification work etc	35.30	20.38
(e) For expenses	0.11	0.08
(f) For service tax (Includes payments made to an affiliated firm)	4.82	3.63
	51.53	38.94
B5. Depreciation:		
(i) Depreciation in respect of assets of the Parent Company is provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act,1956.		
(ii) The difference of ₹ 5.58 lakhs (Previous year ₹ 5.47 lakhs) between depreciation provided for the year on revalued cost of assets of the Parent Company and that calculated on original cost/written down value of assets (revalued) for the year has been withdrawn from Revaluation Reserve Account and credited to Profit and Loss Account.		
B6. The net amount of exchange loss included in the Profit and Loss Account for the year	—	(0.04)
B7. The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Schedule 11.		
B8. 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		

STANDARD INDUSTRIES LTD.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

	(₹ in lakhs)				
	Real Estate	Trading	Manufacturing	Others	Total
REVENUE:					
From External Customers.....	208.78	730.20	97.99	—	1036.97
	<i>2037.79</i>	<i>705.91</i>	<i>175.99</i>	—	<i>2919.69</i>
RESULT:					
Segment Result	76.20	6.38	(381.14)	(0.17)	(298.73)
	<i>1315.01</i>	<i>(6.90)</i>	<i>(15.53)</i>	<i>(0.27)</i>	<i>1292.31</i>
Unallocated Corporate Expenses					1265.71
					<i>1332.79</i>
Operating (Loss)/Profit					(1564.44)
					<i>(40.48)</i>
Interest Income					870.16
					<i>1083.58</i>
Income tax/Wealth-tax					8.10
					<i>192.60</i>
Excess provision for Tax.....					19.05
					<i>6.95</i>
Net (Loss)/Profit after taxes.....					(683.33)
					<i>857.45</i>
OTHER INFORMATION:					
Segment Assets	4663.01	320.29	626.89	675.27	6285.46
	<i>4899.16</i>	<i>399.37</i>	<i>121.79</i>	<i>7.61</i>	<i>5427.93</i>
Unallocated Corporate Assets					10749.07
					<i>12945.19</i>
Total Assets					17034.53
					<i>18373.12</i>
Segment Liabilities.....	437.95	11.28	32.48	465.11	946.82
	<i>541.57</i>	<i>79.42</i>	<i>183.94</i>	<i>0.45</i>	<i>805.38</i>
Unallocated Corporate Liabilities					1314.91
					<i>783.13</i>
Total Liabilities.....					2261.73
					<i>1588.51</i>
Capital Expenditure	436.24	—	793.11	—	1229.35
	<i>2139.63</i>	—	<i>25.02</i>	—	<i>2164.65</i>
Depreciation.....	132.58	0.71	337.88	—	471.17
	<i>104.99</i>	<i>0.71</i>	<i>5.87</i>	—	<i>111.57</i>

Notes:

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

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

B9. RELATED PARTY DISCLOSURE:

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

Name of the related party	Relationship
Shanudeep Private Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla	Key Management Personnel

(b) Details of Transactions with related parties:

(₹ in lakhs)

<u>Nature of Transactions</u>	<u>Enterprises over which Key Management personnel and their relatives are able to exercise significant influence</u>	<u>Key Management Personnel</u>	<u>Total</u>
Leave and Licence fees:			
Shanudeep Private Limited	101.00 (93.38)	— (—)	101.00 (93.38)
Corporate Office Service and Facility:			
Shanudeep Private Limited	125.43 (119.12)	— (—)	125.43 (119.12)
Recovery of Common Expenses:			
Shanudeep Pvt. Ltd.....	12.51 (11.44)	— (—)	12.51 (11.44)
Managerial Remuneration:			
Mr. K. J. Pardiwalla	— (—)	56.53 (58.17)	56.53 (58.17)
Directors Sitting Fees:			
Mr. Pradeep R. Mafatlal.....	— (—)	1.08 (1.12)	1.08 (1.12)
Mrs. Divya P. Mafatlal	— (—)	0.80 (0.80)	0.80 (0.80)

Notes:

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

STANDARD INDUSTRIES LTD.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

	₹ in lakhs	Previous year from 01.04.2009 to 31.03.2010 ₹ in lakhs
B10. ASSETS TAKEN ON OPERATING LEASE:		
(a) Future lease rentals in respect of Premises taken on non-cancellable operating lease basis are as follows:		
Amount due within one year.....	97.20	32.98
Amount due later than one year and not later than five years.....	328.70	—
Amount due later than five years.....	—	—
(b) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is ₹ 93.08 lakhs (Previous year ₹ 86.40 lakhs)		
B11. EARNINGS PER SHARE:		
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:		
(Loss)/Profit after taxes (₹ in lakhs)	(683.33)	857.45
Weighted average number of equity shares outstanding during the year (Nos.)	64328941	64328941
Basic/Diluted Earnings per share (₹)	(1.06)	1.33
Nominal value per share (₹)	5.00	5.00
B12. COMPONENTS OF DEFERRED TAX ASSET/(LIABILITY) ARE AS UNDER:		
Difference in Tax and Book Written Down Value of fixed assets	(109.40)	(28.78)
Unabsorbed carry forward Depreciation Allowance/ Business Loss.....	1270.41	679.70
Disallowance U/s.43B of Income-tax Act, 1961	1.41	0.78
Provision for Doubtful Debts/Advances	237.51	261.26
VRS Expenses not written off.....	207.84	251.07
Provision for Leave Encashment	9.92	10.70
Provision for Gratuity	11.55	17.38
Deferred Tax Asset (Net)*	<u>1629.24</u>	<u>1192.11</u>
* The Net Deferred Tax Asset as at March 31, 2011 has not been accounted in view of the requirement of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income".		

B13. The Parent Company has received an amount aggregating to Nil (Previous year ₹ 18.67 lakhs) on account of sale of Transferable Development Rights (TDR) on Nil (Previous year 119.63 sq. metres) out of total 1659.63 sq. metres of land, generated consequent to surrender of land at Sewree, Mumbai to Maharashtra Housing and Area Development Authority (MHADA) as per various Agreements/MOUs, which has been disclosed in Schedule 13 – "Other Income".

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

B14. The Parent Company had entered into a Lease Agreement dated 1st April, 1967 with Maharashtra Industrial Development Corporation (MIDC) for a term of 100 years, calculated from 1st August, 1965, in respect of land admeasuring 92.25 acres located at Plot No.4, in Trans-Thane Creek Industrial Area in the villages of Ghansoli and Savali, Taluke Thane, District Thane.

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

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

B15. Employees Retirement Benefits:

(a) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" as per actuarial valuation on 31st March, 2011 regarding the Employees' Retirement Benefits Plan for gratuity are as follows:

Particulars	Current Year ₹ in lakhs	<i>Previous year ₹ in lakhs</i>
Projected benefit obligation at the beginning of the year	148.90	115.42
Current Service cost	3.24	4.58
Interest cost	11.17	7.92
Actuarial (Gain)/Loss	(4.03)	34.71
Benefits paid	(10.68)	(13.73)
Projected benefit obligation, end of the year	148.60	148.90
Defined Benefit obligation liability as at the balance sheet date is wholly funded by the Company:		
Change in Plan Assets:		
Fair Value of Assets at the beginning of the year	103.36	84.40
Expected Return on Assets	8.27	9.62
Actuarial Gain/(Loss)	40.33	(19.75)
Benefits Paid	(10.68)	(13.73)
Contributions	4.60	42.82
Fair Value of Plan Assets at the end of the year	145.88	103.36
Gratuity Cost for the year:		
Current Service Cost	3.24	4.58
Interest Cost	11.17	7.92
Expected Return on Assets	(8.27)	(9.62)
Net Actuarial (Gain)/Loss	(44.36)	54.44
Net Periodic Gratuity Cost	(38.22)	57.32

STANDARD INDUSTRIES LTD.

SCHEDULES FORMING PART OF ACCOUNTS (CONSOLIDATED)

Schedule 16 (Contd.)

B. NOTES ON ACCOUNTS:

(b) Assumptions:

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

B16. The Parent Company has received a letter from the Ministry of Company Affairs for getting its cost accounts for the year ended 31st March, 2007 relating to its chemical products, audited by a specified cost auditor. However, since the operations at the Chemical Plant of the Parent Company have been closed, the Parent Company has applied to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.

B17. The figures of previous year have been regrouped wherever necessary to correspond with those of current year.

SIGNATURES TO SCHEDULES 1 TO 16

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 30th May, 2011

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

Mumbai, Dated: 30th May, 2011

STANDARD INDUSTRIES LTD.

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

Date: 30th May, 2011

Dear Shareholder(s),

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

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

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

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

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

(a) For shareholders holding shares in Dematerialized Form

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

(b) For shareholders holding shares in Physical Form

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

If you have not yet opted for the ECS Mandate Facility, we urge you to avail of the NECS mandate Facility 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 20th July, 2011, 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.

Mrs. Tanaz B. Panthaki
Company Secretary

P.T.O.

FORM

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

FORM FOR NECS MANDATE/BANK MANDATE

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

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

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

OR

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

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

Folio No. _____

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

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

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

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

Note :

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

STANDARD INDUSTRIES LTD.

Regd. Office:

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

GREEN INITIATIVE FORM

To,

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

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

Name : E-mail id:

Address:

Folio No. No. of Equity Shares held

Signature of Shareholder

STANDARD INDUSTRIES LTD.

ATTENDANCE SLIP

STANDARD INDUSTRIES LIMITED

Registered Office:

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

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

I hereby record my presence at the One Hundred and Fourteenth Annual General Meeting of the Company at The Park Navi Mumbai, Plot No. 1, Sector 10, CBD Belapur, Navi Mumbai - 400 614, to be held on Thursday, the 4th August, 2011.

SIGNATURE OF THE
SHAREHOLDER OR PROXY

NOTES:

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



FORM OF PROXY

STANDARD INDUSTRIES LIMITED

Folio No. :

DP ID :

Client ID :

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

I/We _____

_____ of _____

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

_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the One Hundred and Fourteenth Annual General Meeting of the Company to be held on Thursday, the 4th August, 2011 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011.

Signed by the said _____

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

Affix a
30 paise
Revenue
Stamp

