

# **STANDARD INDUSTRIES LTD.**

116th ANNUAL REPORT 2012-2013



# STANDARD INDUSTRIES LTD.

*Registered Office:*

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

## NOTICE

Notice is hereby given that the **ONE HUNDRED & SIXTEENTH 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 Wednesday, the 14th August, 2013, at 3.00 P.M. to transact the following business :

### ORDINARY 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, 2013 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 M.L. Apte, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri F.M. Pardiwalla, who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI firm Registration no. 117366W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors."

### SPECIAL BUSINESS

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

#### AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, if any, including any statutory modifications or re-enactments thereof for the time being in force and subject to such approvals, if any, as may be necessary, the Non-Executive Directors of the Company, be paid remuneration by way of commission not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, for each financial year or for a part thereof proportionately for a period of 5 years commencing from 1st October, 2012, to be distributed among such Directors at the discretion of the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board)."

The payment of such remuneration shall be subject to the overall maximum managerial remuneration laid down in Section 198 of the Act."

"RESOLVED FURTHER THAT the aforesaid remuneration shall be exclusive of any fees payable to a Director for each Meeting of the Board or of a Committee of the Board attended by the director."

### NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 31st July, 2013, to Wednesday, the 14th August, 2013, (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2013. Those Members whose names appear in the Register of Members of the Company as on 30th July, 2013, will be eligible for dividend.
- (c) **National Electronic Clearing Service (NECS):**  
As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the National Electronic Clearing Service (NECS) of the Reserve Bank of India (RBI), at designated locations, for payment of dividend to shareholders holding shares in dematerialized form. This service was extended by the Company also to shareholders holding shares in physical form, who chose to avail of the same. In this system, the investor's bank account is directly credited with the dividend amount.

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

Shareholders holding shares in physical form who have not yet opted for the NECS Mandate Facility, are urged to avail of the same as this not

# STANDARD INDUSTRIES LTD.

only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant/Company's Registrar & Share Transfer Agent) and are communicated before 30th July, 2013, to facilitate receipt of dividend. Please note that if your new Core Bank Account number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

- (d) 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 21st August, 2013, to those shareholders who have not opted for NECS Mandates. For those shareholders who have submitted their NECS Mandates, the dividend will be credited directly to their respective Bank Accounts.
- (e) The Company has already transferred on 4th April, 2013, the unclaimed dividends for the period October, 2004 to September, 2005, to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 31st March, 2006, 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, 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

Financial Year	Date of Declaration of Dividend	Date for transfer to IEPF
April, 2010 To March, 2011	04.08.2011	04.09.2018
April, 2011 To March, 2012	14.08.2012	14.09.2019

Members who have so far not encashed the Dividend Warrants for the financial years ended March, 2006 onwards, are advised to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, or the Company's Registered Office at Plot No.4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710.

- (f) Members holding shares in physical form are advised to avail of the nomination facility by filling the prescribed Form No.2B (in duplicate) which is available with M/s. Sharepro Services (India) Pvt. Ltd., Mumbai, the Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialised form are requested to contact their depository participant, for recording their nomination.
- (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, 2014.

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

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

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

- (j) Appointment/Re-appointment of Directors:

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

1. Shri M.L. Apte graduated in Arts from Elphinstone College, Bombay. He has wide and varied knowledge and experience in business over the past many years. Apart from his business acumen he is also actively engaged in sports activities mainly in the field of cricket.

He is the Director of Standard Industries Limited, Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., The Bombay Burmah Trading Corporation Ltd., The Raja Bahadur International Ltd., Apte Amalgamations Ltd., Grasim Industries Ltd. and Zodiac Clothing Co. Ltd. He is also a member of the following Committees of the Board, viz., Audit Committee of Grasim Industries Ltd., Zodiac Clothing Co. Ltd., The

Bombay Burmah Trading Corporation Ltd. and Standard Industries Limited; Share Transfer Committee of Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Ltd.; Remuneration Committee of Bajaj Hindustan Ltd. and Standard Industries Limited and Investor Grievance Committee of The Bombay Burmah Trading Corporation Ltd.

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

2. Shri F.M. Pardiwalla was born on 25th August, 1939. He is a Commerce Graduate from Sydenham College of Commerce & Economics as well as a Law Graduate from H.R. College, Mumbai. He worked with ICICI Limited for 38 years in a Senior Executive capacity and was heading Corporate Finance including Indian and Foreign currency treasury, foreign exchange, taxation and EDP Departments. He has vast experience in Accounts, Foreign Exchange and Law.

In recognition of his professional qualifications and experience in banking and finance, the governing Council of Indian Institute of Banking and Finance has conferred on Shri F.M. Pardiwalla, Associateship of the Institute.

During the period 1982 to 2005, he was on the Board of several Companies as Director and was also Chairman/Member of Audit, Shareholders' Grievance, Executive and Asset Sale Committees of the Boards of various Companies.

He is a Director of Standard Industries Limited and Stanrose Mafatlal Investments and Finance Limited. He is the Chairman of audit Committee of Standard Industries Limited and Stanrose Mafatlal Investments and Finance Limited and a Member of Shareholders/ Investors' Grievance Committee of Standard Industries Limited.

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

By Order of the Board  
TANAZ B. PANTHAKI  
Vice President (Legal)  
& Company Secretary

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

Dated : 21st May, 2013

## 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 Item No.6 contained in the accompanying Notice dated 21st May, 2013.

### **Item No. 6**

Section 309(4) of the Companies Act, 1956, permits the payment of remuneration to those Directors, subject to approval of the shareholders by special resolution, who are neither Managing Director(s) nor in the whole-time employment of the Company, by way of commission on the net profit of the Company, for a financial year computed in the manner referred to in Section 198 of the Act. In case the Company has a Managing Director or Whole-time Director or Executive Director, the commission amount is restricted to 1% of the net profits, if any, of the Company.

At present, the Directors other than the Executive Director of the Company are paid only sitting fees for each meeting of the Board or Committee of the Board attended by them and they are not receiving any other remuneration.

The Board of Directors is of the opinion that, in order to remunerate the Non-Executive Directors of the Company (other than the Managing Director and/or Whole-time Directors and Executive Directors) for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and to commensurate with the time devoted and the contribution made by them, the Board at their Meeting held on 8th February, 2013 has approved, subject to such statutory approvals as may be necessary, payment by way of commission, to be paid to

the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 read with Section 309 of the Companies Act, 1956, subject to the overall maximum managerial remuneration laid down in Section 198 of the said Act.

Such remuneration will be distributed among such Directors at the discretion of the Board either wholly or in part in such proportion and manner as the Board may from time to time determine.

Further, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, all fees/ compensation, if any, paid to Non-Executive Directors of the Company, shall be fixed by the Board of Directors and shall require the prior approval of the Shareholders at a general meeting.

The Directors, other than Executive Director will be entitled to commission as specified in the Resolution and as such they may be deemed to be interested in the said Resolution to that extent.

The Board of Directors of your Company recommends the Resolution at Item No. 6 for your approval.

By Order of the Board  
TANAZ B. PANTHAKI  
*Vice President (Legal)*  
& Company Secretary

*Registered Office:*  
Plot No. 4, TTC Industrial Area,  
Thane Belapur Road,  
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Dated : 21st May, 2013

**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 – *expired on 26.05.2013*

SHRI M. L. APTE  
SHRI F. M. PARDIWALLA  
SHRI K. J. PARDIWALLA  
SMT. DIVYA P. MAFATLAL  
SHRI D. H. PAREKH  
*Executive Director*

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## BANKERS

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

## CITY OFFICE

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

## AUDITORS

MESSRS. DELOITTE HASKINS & SELLS,  
*Chartered Accountants*

## ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

## 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](mailto:sharepro@shareproservices.com)

**MANAGEMENT TEAM**

SHRI D. H. PAREKH

*Executive Director*

SHRI D. M. NADKARNI

*Vice-President (Projects)*

SMT. TANAZ B. PANTHAKI

*Vice President (Legal) & Company Secretary*

SHRI V. K. KAPUR

*General Manager*



# STANDARD INDUSTRIES LTD.

## FINANCIAL STATISTICS

	2002/ 2003	2003/ 2004	2004/ 2005	1-10-2005 to 31-3-2006 (6 mths.)
COMPANY OWNED:				
1. Fixed Assets (Net) .....	15656	12766	12760	12800
2. Investments .....	72	72	72	425
3. Net Current Assets .....	(135)	(533)	260	(238)
4. Miscellaneous Expenditure .....	—	—	—	—
Total Assets (Net) .....	15593	12305	12572	12987
COMPANY OWED:				
1. Loan funds .....	7726	4046	1351	1149
2. Company's Net Worth:				
Equity Share Capital .....	3216	3216	3216	3216
Reserves and Surplus .....	4651	5043	8005	8622
Total Capital Employed .....	15593	12305	12572	12987
Debt/Equity Ratio# .....	0.83:1.00†	0.35:1.00†	0.12:1.00†	0.08:1.00†
Income .....	16366	24071	23763	8325
Raw Materials .....	1728	2216	1584	670
Salaries and Wages .....	1683	2069	1966	696
Operation and Other Expenses etc. ....	8801	12198	11879	4446
Interest .....	1319	829	394	64
Excise duty .....	1994	2531	3184	963
Profit before Depreciation and Taxes .....	841	4228	4756	1486
Depreciation .....	1318	3180	1047	527
Profit before extra ordinary item and taxes .....	(477)	1048	3709	959
Taxes .....	(26)	(107)	(321)	(110)
Deferred Tax .....	1198	—	—	—
Profit after Taxes .....	695	941	3388	849
Provision and Refund of Income-tax (Net) .....	—	—	—	—
Balance brought forward from Previous Year .....	703	1398	1861	4705
Amount for Appropriation .....	1398*	2339*	5249*	5554*
Dividends .....	—	402	402	201
Tax on Dividends .....	—	52	57	28
Balance retained in business .....	1398	1885	4790	5325
Earnings per Equity Share ₹ .....	1.08**	1.46**	5.27**	1.32**
Dividend paid per Equity Share ₹ .....	—	0.625**	0.625**	0.3125**

# On Long term borrowings.

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

† Without Revaluation Reserve.

\*\* On equity Shares of ₹ 5/-.

(₹ in lakhs)

1-4-2006 to 30-9-2007 (18 mths.)	1-10-2007 to 31-3-2009 (18 mths.)	1-4-2009 to 31-3-2010	1-4-2010 to 31-3-2011	1-4-2011 to 31-3-2012	1-4-2012 to 31-3-2013
1984	1870	3546	1371	2887	<b>2878</b>
634	1443	6238	914	293	<b>983</b>
6542	12629	6463	12938	11472	<b>9713</b>
2296	—	—	—	—	—
11456	15942	16247	15223	14652	<b>13574</b>
—	—	—	—	—	—
3216	3216	3216	3216	3216	<b>3216</b>
8240	12726	13031	12007	11436	<b>10358</b>
11456	15942	16247	15223	14652	<b>13574</b>
0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	0.00:1.00†	<b>0.00:1.00†</b>
12226	24683	3782	1834	2334	<b>1762</b>
—	—	—	—	—	—
759	334	242	169	239	<b>195</b>
9527	15680	2375	1828	2042	<b>2083</b>
168	8	—	—	—	—
23	—	—	—	—	—
1749	8661	1165	(163)	53	<b>(516)</b>
1489	132	106	133	89	<b>95</b>
260	8529	1059	(296)	(36)	<b>(611)</b>
(67)	(3158)	(193)	—	—	—
—	—	—	—	—	—
193	5371	866	(296)	(36)	<b>(611)</b>
—	—	7	19	26	<b>97</b>
5325	4943	9022	9287	8449	<b>7879</b>
5518*	10314*	9895*	9010*	8439*	<b>7365*</b>
483	643	482	482	482	<b>482</b>
82	109	80	78	78	<b>82</b>
4953	9562	9333	8450	7879	<b>6801</b>
0.30**	8.35**	1.36**	(0.43)**	(0.02)**	<b>(0.80)**</b>
0.75**	1.00**	0.75**	0.75**	0.75**	<b>0.75**</b>