

STANDARD INDUSTRIES LTD.

119th ANNUAL REPORT 2015-2016



STANDARD INDUSTRIES LTD.

Registered Office:

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

Tel: 65162883/65162890 • Fax: 27780175 • E mail : standardgrievances@rediffmail.com

CIN : L17110MH1892PLC000089 • WEBSITE: www.standardindustries.co

NOTICE

Notice is hereby given that the **ONE HUNDRED & NINETEENTH 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 Monday, the 27th June, 2016, at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. Audited Balance Sheet as at 31st March, 2016 and Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
 - b. Consolidated Audited Balance Sheet as at 31st March, 2016 and Consolidated Statement of Profit and Loss for the financial year ended on that date together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri K. J. Pardiwalla (holding DIN 00015670), who retires by rotation and is eligible for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (as amended from time to time) M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI firm's Registration No. 117366W/W-100018), 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

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

AS AN ORDINARY RESOLUTION

“RESOLVED THAT the consent of the Company be and is hereby accorded pursuant to Section 188 of the Companies Act, 2013 (including any statutory modifications or amendments thereto) and other applicable provisions, if any, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or amendments thereto) for the following material related party transactions with Shanudeep Private Limited:

- A. Leave & Licence Agreement for use of Office Premises admeasuring 9,000 Sq.ft. or thereabouts, at Vijyalaxmi Mafatlal Centre at 57A, Dr. G. Deshmukh Marg, Mumbai-400 026, for a period of 3 years from 19th August, 2016 to 18th August, 2019, at a licence fee of ₹ 8,10,000/- p.m. excluding applicable taxes, levies and sharing of common expenses.
 - B. Sharing of Facilities and/or Services at Vijyalaxmi Mafatlal Centre at 57A, Dr. G. Deshmukh Marg, Mumbai - 400 026, for a period of 3 years from 21st August, 2016 to 20th August, 2019, at service charges of ₹ 10,89,000/- p.m. excluding applicable taxes, levies and sharing of common expenses.”
6. To consider and, if thought fit, to pass, with or without modifications, the following:

AS A SPECIAL RESOLUTION

“RESOLVED THAT in supersession of the Ordinary Resolution passed under

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Section 293(1)(d) of the Companies Act, 1956 at the 96th Annual General Meeting of the Company held on 1st September, 1992 and pursuant to Section 180(1)(c) of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof), other enabling provisions, if any, of the said Act and Memorandum and Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to borrow any sum or sums of money from time to time from one or more banks, bodies corporate or financial institutions or from public or from other person(s) or authorities, by way of cash credit, advances, deposits or other loans, issue of debentures, commercial papers, whether unsecured or secured, by mortgage, charge, hypothecation or pledge of the Company's assets and properties whether movable and/or immovable or stock-in-trade (including raw materials, stores, spare parts and components, in stock or in transit), work in process and debts and advances notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves which have not been set apart for any specific purpose but so that the total amount upto which the monies may be so borrowed shall not at any time exceed ₹ 300 Crores."

"RESOLVED FURTHER THAT in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956 at the 96th Annual General Meeting of the Company held on 1st September, 1992 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications and re-enactments

thereof), other enabling provisions, if any, of the said Act and Memorandum and Articles of Association of the Company and subject to the necessary consents, approvals and permissions, if applicable or required under any statutes/rules/regulations including those of lenders, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include a Committee of Directors constituted for the purpose) to create such charges, mortgages and hypothecations in addition to the existing charges created by the Company on such movable and immovable properties of the Company wherever situate, both present and future, in one or more tranches in favour of banks/ financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments at such consideration and on such terms and conditions and in such manner and with effect from such date as the Board may deem fit together with the power to enter upon and takeover the management of the business and undertaking of the Company in certain events for securing any loans and/ or advances already obtained or that may be obtained and/or to secure any debentures, securities that may be issued and all interests, compound/additional interest, commitment charges, costs, charges, expenses and all other monies payable by the Company to the concerned lenders, shall not at any time exceed ₹ 300 crores."

"RESOLVED FURTHER THAT the Securities to be created by the Company for its borrowing as aforesaid may rank *pari passu* or such other ranking, as may be agreed to between the Board and concerned parties, with the security already created in the form of mortgage and/or charges already created or to be created in future by the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is/are hereby authorised to finalise, settle and execute such documents/

deeds / writings / papers / agreements as may be required and do all acts, deeds, matters and things as may in its/his/their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company.”

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.

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

Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy who shall not, act as proxy for any other Member. A Proxy Form is annexed to this Report.

- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 13th June, 2016, to Monday, the 27th June, 2016, (both days inclusive) for the purpose of Annual General Meeting & payment of dividend for the Financial Year ended 31st March, 2016. Those Members whose names appear in the Register of Members of the Company as on 10th June, 2016, will be eligible for dividend.

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

As per directive from Securities and Exchange Board of India (SEBI), the Company has been using the National Electronic Clearing

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

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

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

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the Depository Participant/Company's Registrar & Share Transfer Agent) and are communicated before 10th June, 2016, to facilitate receipt of dividend. Please note that if your new Core Bank Account Number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned. Kindly refer to the Mandate Form enclosed in this Annual Report for further details.

- (d) **Voting through electronic means**

The Company has engaged the services of Karvy Computershare Private Limited

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(Karvy) for facilitating remote e-voting for Annual General Meeting.

- I. 1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 119th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy.
2. The facility for voting through polling paper shall be made available at the venue of the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Thursday, 23rd June, 2016 (9.00 a.m.) and ends on Sunday, 26th June, 2016 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th June, 2016, may cast their vote by remote e-voting.

The Remote e-voting module shall be disabled by Karvy at 5.00 p.m.

upon the expiry of aforesaid period. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

5. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an e-mail from Karvy [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Launch an internet browser and open <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password) and captcha. If you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering the above details Click on - Login.
 - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You

need to login again with the new credentials.

- (v) On successful login, the system will prompt you to select the E-Voting Event.
- (vi) Select the EVENT of Standard Industries Limited and click on - Submit.
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at jatin@jsp-associates.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_ EVENT NO.'

B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are

not registered with the Company/ Depository Participant(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E-voting Event Number)	USER ID	PASSWORD

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website on <https://evoting.karvy.com> or call on toll free no. : 1-800-3454-001.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of 20th June, 2016.
- V. Members who have acquired shares after the dispatch of the Annual Report and/or before the cut-off date, i.e. 20th June, 2016 may obtain the User ID and Password for exercising their right to vote by electronic means, in the following manner:
 - (a) If the mobile number of the member is registered against Folio No./DP ID and Client ID, the member may send SMS : MYEPWD <space> Event number+ Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXX1234567

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- (b) If e-mail or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call Karvy's toll free number 1-800-3454-001.
- (d) Member may send an e-mail request to evoting@karvy.com.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off-date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- VII. Mr. Jatin S. Popat, Proprietor, JSP Associates, Practicing Company Secretary, (Membership No. 4047) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- IX. The Scrutinizer, after the conclusion of voting at the AGM, shall first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.standardindustries.co immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
- (e) The Dividend as recommended by the Directors when declared at the Annual General Meeting will be paid by dividend warrants drawn on designated Branches of HDFC Bank Limited from Wednesday, the 20th July, 2016, 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.
- (f) The Company has already transferred on 31st October, 2015, the unclaimed dividends for the period October, 2007 to March, 2009, to the Investors' Education & Protection Fund (IEPF). The unclaimed dividend for the Accounting Periods ending 31st March, 2009 (Final Dividend) 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, 2007 To March, 2009	25.08.2009 (Final Dividend)	25.09.2016
April, 2009 To March, 2010	09.08.2010	08.09.2017
April, 2010 To March, 2011	04.08.2011	04.09.2018
April, 2011 To March, 2012	14.08.2012	14.09.2019
April, 2012 To March, 2013	14.08.2013	15.09.2020
April, 2013 To March, 2014	14.08.2014	15.09.2021
April, 2014 To March, 2015	29.09.2015	29.10.2022

Members who have so far not encashed the Dividend Warrants for the financial years ended March, 2009 (final dividend), onwards, are advised to submit their claims to the Company's Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited, or the Company's Registered Office at Plot No. 4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai – 400 710.

- (g) Members holding shares in physical form are advised to avail of the nomination facility by filling the prescribed Form No. SH-13 which is available with M/s. Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialised form are requested to contact their depository participant, for recording their nomination.

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

- (h) The Company's securities are listed on the following Stock Exchanges:

Sr. No.	Name & Address of the Stock Exchange	Nature of Security
1.	BSE Ltd., 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, 2017.

- (i) As part of the Green Initiative in Corporate Governance, and as permitted by Section 101 and Section 136 of the Companies Act, 2013 and rules made thereunder (as amended from time to time), listed companies are allowed to send notice and financial statements through electronic mode.
- (j) To support this green initiative of the Government, in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate columns in the Green Initiative Form attached hereto and register the same with M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032.

The Annual Report of the Company circulated to the members of the Company, is available on the Company's website: www.standardindustries.co

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

Details to be furnished in respect of the Directors being proposed for appointment/re-appointment at the ensuing Annual General Meeting in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following information is given hereunder:

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

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

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

Shri K. J. Pardiwalla is a Director on the Board of many Companies, viz., Standard Industries Limited, Stanrose Mafatlal Investments and Finance Limited, Vinadeep Investments Pvt. Ltd. and Stan Plaza Limited. He is a Member of the Stakeholders Relationship Committee and Nomination & Remuneration Committee of Standard Industries Limited and also a Member of Nomination & Remuneration Committee of Stanrose Mafatlal Investments and Finance Limited.

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

CIN : L17110MH1892PLC000089

Dated : 27th April, 2016

ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 102 of the Companies Act, 2013:

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Items Nos. 5 & 6 contained in the accompanying Notice dated 27th April, 2016.

Item No. 5

Shanudeep Private Limited, one of the promoters of the Company, is a private limited company wherein the directors of the Company are directors and/or members and hence a related party under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has been renewing from time to time the Leave & Licence Agreement with Shanudeep Pvt. Ltd., for use of their Office Premises admeasuring 9,000 Sq.ft. or thereabouts, at Vijyalaxmi Mafatlal Centre at 57A, Dr. G. Deshmukh Marg, Mumbai - 400 026.

The last renewal was for a period of one year from 19th August, 2015 to 18th August, 2016, at a licence fee of ₹ 8,10,000/- p.m. excluding applicable taxes, levies and sharing of common expenses.

The Company has also been renewing from time to time an arrangement for sharing of Facilities and/or Services, with Shanudeep Pvt. Ltd., at the above mentioned premises, for better enjoyment of the premises.

The aforesaid transactions with Shanudeep Private Limited are in the ordinary course of business and at arms' length basis.

The value of transactions with Shanudeep Private Limited pursuant to the Leave & Licence Agreement and Facilities & Services Agreement during the financial year 2015-16 has exceeded the materiality threshold specified in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. 10% of the annual consolidated turnover of the Company. The Company had obtained approval of shareholders through special resolution for the duration covering financial year 2015-16 and some period of financial year 2016-17 at the Annual General Meeting held on 29th September, 2015.

The Company now proposes to renew the Leave and Licence Agreement with Shanudeep Private Limited at Vijyalaxmi Mafatlal Centre at 57A, Dr. G. Deshmukh Marg, Mumbai - 400 026, for a period of three years from 19th August, 2016 to 18th August, 2019, at a license fee of ₹ 8,10,000/- p.m. exclusive of all applicable taxes, levies and sharing of common expenses.

The Company also proposes to renew the arrangement for sharing of Facilities and/or Services, with Shanudeep Private Limited at Vijyalaxmi Mafatlal Centre at 57A, Dr. G. Deshmukh Marg, Mumbai - 400 026, for a period of three years from 21st August, 2016 to 20th August, 2019, for better enjoyment of the premises at service charges of ₹ 10,89,000/- p.m. exclusive of all applicable taxes, levies and sharing of common expenses.

The terms and conditions of renewed arrangements are identical to the previous terms and conditions which were approved by the Audit Committee, Board and Shareholders in 2015.

The Audit Committee has approved entering into the above Agreements at its meeting held