

# **STANDARD INDUSTRIES LTD.**

120th ANNUAL REPORT 2016-2017



**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 (*Expired on 7-1-17*)

SHRI M. L. APTE

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

SHRI K. J. PARDIWALLA

SMT. DIVYA P. MAFATLAL

SHRI SHOBHAN DIWANJI

SHRI D. H. PAREKH

*Executive Director*

## BANKERS

HDFC BANK LIMITED

ICICI BANK LIMITED

IDBI BANK

UCO BANK

KOTAK MAHINDRA BANK LTD.

## AUDITORS

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

## ADVOCATES & SOLICITORS

M/S. ALMT LEGAL

## REGISTERED OFFICE

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

CIN : L17110MH1892PLC000089

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

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

## CORPORATE OFFICE

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

## CITY OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

### Corporate Office:

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

Tel. Nos. : +91 40 6716 2222

Fax No. : +91 40 2342 0814

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

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

### Mumbai Front Office:

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

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

**MANAGEMENT TEAM**

SHRI D. H. PAREKH

*Executive Director*

SHRI D. M. NADKARNI

*Vice President (Projects)*

SMT. TANAZ B. PANTHAKI

*Vice President (Legal) & Company Secretary*

SHRI J. R. SHAH

*Chief Financial Officer*

# STANDARD INDUSTRIES LTD.

## FINANCIAL STATISTICS

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

# On Long term borrowings.

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

† Without Revaluation Reserve.

\*\* On equity Shares of ₹ 5/-.

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

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

(₹ in lakhs)

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

# STANDARD INDUSTRIES LTD.

## NOTICE

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

### ORDINARY BUSINESS

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

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

### SPECIAL BUSINESS

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

#### AS AN ORDINARY RESOLUTION

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

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

#### AS A SPECIAL RESOLUTION

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

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

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

#### **AS AN ORDINARY RESOLUTION**

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

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

#### **AS AN ORDINARY RESOLUTION**

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

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

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

#### **AS A SPECIAL RESOLUTION**

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

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



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

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

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

## NOTES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(d) Voting through electronic means**

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

- 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 members facility to exercise their right to vote on resolutions proposed

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

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

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

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