STANDARD INDUSTRIES LTD.

113th ANNUAL REPORT 2009-2010

STANDARD INDUSTRIES LTD.

CONTENTS

	Pages
Board of Directors, etc.	2
Management Team	3
Financial Statistics	4-5
Directors' Report	6-8
Shareholdings	9
Corporate Governance	10-16
Management Discussion and Analysis	17-18
Auditors' Report	19-21
Balance Sheet	22
Profit & Loss Account	23
Cash Flow Statement	24-25
Schedules 1 to 15	26-45
Balance Sheet Abstract	46
Statement Under Section 212	47
SUBSIDIARY COMPANIES :	
Standard Salt Works Ltd.	48-67
Stan Plaza Ltd.	68-75
Mafatlal Enterprises Ltd	76-84
Consolidated Accounts	85-106

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.

STANROSE MAFATLAL

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

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.

SITE

THANE-BELAPUR ROAD,
THANE.

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

SHRI D. H. PAREKH
Vice-President (Finance)

SMT. TANAZ B. PANTHAKI
Company Secretary

SHRI V. K. KAPUR
General Manager (Works)

FINANCIAL STATISTICS

	1999/ 2000	2000/ 2001	1-4-2001 to 30-9-2002 (18 mths.)	2002/ 2003
COMPANY OWNED:				
1. Fixed Assets (Net)	22953	20855	17043	15656
2. Investments	72	71	53	72
3. Net Current Assets	3612	657	4879	(135)
4. Deferred Tax Assets/(Liability)	—	—	(1198)	—
5. Miscellaneous Expenditure	396	283	6387	—
6. Profit and Loss A/c.	—	3931	—	—
Total Assets (Net)	27033	25797	27164	15593
COMPANY OWED:				
1. Loan funds	12574	12674	13263	7726
2. Company's Net Worth:				
Equity Share Capital	3933	6433	6433	3216
Reserves and Surplus	10526	6690	7468	4651
Total Capital Employed	27033	25797	27164	15593
Debt/Equity Ratio#	0.43:1.00†	1.02:1.00†	0.76:1.00†	0.83:1.00†
Income	32817	24201	41206	16366
Raw Materials	6726	4047	3646	1728
Salaries and Wages	5142	6113	3062	1683
Operation and Other Expenses etc.	14746	11996	19523	8801
Interest	2096	2011	3397	1319
Excise duty	3239	2794	3472	1994
Profit before Depreciation and Taxes	868	(2761)	8106	841
Depreciation	1390	1853	2031	1318
Profit before extra ordinary item and taxes	(522)	(4614)	6075	(477)
Extra ordinary item	—	(3040)	—	—
Taxes	(2)§	(2)§	(3)§	(26)
Deferred Tax	—	—	(1198)	1198
Profit after Taxes	(524)	(7656)	4874	695
Provision and Refund of Income-tax (Net)	—	(61)	60	—
Transferred from General Reserve	—	—	2235	—
Balance brought forward from Previous Year	—	—	(6466)	703
Amount for Appropriation	251*	—	703*	1398*
Dividends	—	—	—	—
Tax on Dividends	—	—	—	—
Balance retained in business	251	—	703	1398
Earnings per Equity Share Rupees	—	—	7.67‡	1.08**
Dividend paid per Equity Share Rupees	—	—	—	—

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 Rs. 10.

§ Wealth-tax.

** On Equity Shares of Rs. 5.

(Rupees in lakhs)

2003/ 2004	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.)	**1-04-2009 to 31-3-2010**
12766	12760	12800	1984	1870	**3546**
72	72	425	634	1443	**6238**
(533)	260	(238)	6542	12629	**6463**
—	—	—	—	—	**—**
—	—	—	2296	—	**—**
—	—	—	—	—	**—**
12305	12572	12987	11456	15942	**16247**
4046	1351	1149	—	—	**—**
3216	3216	3216	3216	3216	**3216**
5043	8005	8622	8240	12726	**13031**
12305	12572	12987	11456	15942	**16247**
0.35:1.00†	0.12:1.00†	0.08:1.00†	0.00:1.00†	0.00:1.00†	**0.00:1.00†**
24071	23763	8325	12226	24683	**3782**
2216	1584	670	—	—	**—**
2069	1966	696	759	334	**250**
12198	11879	4446	9527	15680	**2367**
829	394	64	168	8	**—**
2531	3184	963	23	—	**—**
4228	4756	1486	1749	8661	**1165**
3180	1047	527	1489	132	**106**
1048	3709	959	260	8529	**1059**
—	—	—	—	—	**—**
(107)	(321)	(110)	(67)	(3158)	**(193)**
—	—	—	—	—	**—**
941	3388	849	193	5371	**866**
—	—	—	—	—	**7**
—	—	—	—	—	**—**
1398	1861	4705	5325	4943	**9022**
2339*	5249*	5554*	5518*	10314*	**9895***
402	402	201	483	643	**482**
52	57	28	82	109	**80**
1885	4790	5325	4953	9562	**9333**
1.46**	5.27**	1.32**	0.30**	8.35**	**1.36****
0.625**	0.625**	0.3125**	0.75**	1.00**	**0.75****

DIRECTORS' REPORT

To

The Members,

Standard Industries Limited.

Your Directors hereby present the 113th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS

	Current Year 1.4.2009 to 31.3.2010 Rs. in lakhs	*Previous 18 months period 1.10.2007 to 31.3.2009 Rs. in lakhs*
Gross Operating Profit before interest, depreciation and tax	**1164.60**	*8669.61*
Less: Interest	**—**	*8.33*
Gross Profit after Interest	**1164.60**	*8661.28*
Add: Amount withdrawn from Revaluation Reserve	**5.47**	*7.89*
	1170.07	*8669.17*
Less: Depreciation	**111.17**	*139.87*
Profit before Taxes	**1058.90**	*8529.30*
Provision for Tax:		
Current Tax	**185.00**	*3120.50*
Wealth Tax	**7.60**	*7.36*
Fringe Benefit Tax	**—**	*30.00*
Excess provision for taxes in respect of earlier years	**6.95**	*—*
Profit after Taxes	**873.25**	*5371.44*
Balance brought forward from previous period	**9021.85**	*4943.03*
Amount available for Appropriation	**9895.10**	*10314.47*
APPROPRIATIONS:		
Interim Dividend Paid	**—**	*321.65*
Proposed Dividend on Equity Shares	**482.47**	*321.65*
Corporate Tax on Dividend	**80.13**	*109.32*
Transfer to General Reserve	**45.00**	*540.00*
Balance of Profit & Loss A/c. carried to Balance Sheet	**9287.50**	*9021.85*

Your Directors recommend the following dividend for the Financial Year 1st April, 2009 to 31st March, 2010, which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 9th August, 2010, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 26th July, 2010.

	Current Year 1.4.2009 to 31.3.2010 (12 months) Rupees	*Previous period 1.10.2007 to 31.3.2009 (18 months) Rupees*
Re. 0.75 per Equity Share of Rs. 5/- each on 6,43,28,941 Equity Shares [Previous period Re. 0.50 per Equity Share of Rs.5/- each on 6,43,28,941 Equity Shares]	**4,82,46,705.75**	*3,21,64,470.50*
Interim Dividend		
@ Re.0.50 per Equity Share of Rs. 5/- each on 6,43,28,941 Equity Shares	**—**	*3,21,64,470.50*
	4,82,46,705.75	*6,43,28,941.00*

TRADING DIVISION

For the present Financial Year, i.e. April, 2009 to March, 2010 (12 months) the Company has a turnover of Rs. 690 lakhs in comparison with Rs.1040 lakhs for the previous Accounting Period of 18 months pertaining to Textile trading.

Due to global economic scenario the textile market is sluggish and the sale of textile fabrics has been adversely affected. The raw material rates have increased by 25% to 30% and because of inflationary trend, there is little resistance in offtake. The Company has added a few varieties in its regular suiting and shirting range. The Company is also contemplating to introduce new products in its range such as cushion covers, handkerchieves, etc. in the trading business for the domestic market.

Chemical Trading was done to a limited extent in the Financial Year under review. The Caustic Soda market was very competitive due to excess supply in the local market coupled with the fact that a lot of it was imported. The Company could not procure Caustic Soda directly from the local manufacturers but had to outsource it through other Traders. Besides, many major bulk consumers prefer to indent material directly from the approved dealers of certain Manufacturers only. Hence the Company lost its competitive edge as far as the pricing in the local market was concerned.

REAL ESTATE DIVISION

The year under review was extremely challenging. The real estate market for commercial property witnessed an unprecedented turbulence with the continued global economic meltdown. Under such a critical situation there was a setback on the Company's efforts to utilize the balance portion of about 63 acres of land for development of Information Technology Parks, Commercial Offices, Hospitality Projects, Malls, etc., in a commercially viable manner. However, inspite of the sluggish situations, the Company is continuously in touch with various real estate developers/investors/fund Managers for the development of its prime piece of about 63 acres of land situated in Navi Mumbai at Thane Belapur Road, Opposite Ghansoli Railway Station and adjacent to sprawling Reliance Corporate Park. Given the prevalent sentiments in the real estate market, the Company is forced to follow a very cautious approach in respect of the development of Navi Mumbai property.

POSTAL BALLOT

Under the provisions of Section 192A of the Companies Act, 1956, the Company has by its Notice dated 9th September, 2009, sought the approval of the shareholders for passing the following Resolution through Postal ballot:

> Special Resolution under Section 146 of the Companies Act, 1956, for shifting the Registered Office of the Company from the City Limits of Mumbai to Navi Mumbai in Thane District, within the State of Maharashtra with effect from 1st February, 2010 and amendment of Clause II of the Memorandum of Association of the Company in accordance with the provisions of Section 16 of the Companies Act, 1956.

The result of the Postal Ballot was declared on Tuesday, the 10th November, 2009, at the Registered Office of the Company. The votes cast assenting the resolution are 99.94% of the total votes polled and thus the resolution has been passed with the requisite majority.

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 period under review. 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 period under review.

FIXED DEPOSITS

There are no outstanding deposits remaining unpaid as on 31st March, 2010. 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, 2010, 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, 2010 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, 2010, on a 'going concern' basis.

SUBSIDIARIES

In compliance with the provisions of Section 212 of the Companies Act, 1956, the audited Statements of Accounts along with the Directors' Report for the Financial Year ended 31st March, 2010, of Standard Salt Works Ltd., Stan Plaza Limited and Mafatlal Enterprises Limited, the subsidiaries of the Company, are annexed hereto.

DONATIONS

During the financial year, the Company has contributed a sum of Rs. 21.96 lakhs to various Charitable and Educational Institutions.

DIRECTORATE

Pursuant to Article 158 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri M.L. Apte and Shri F.M. Pardiwalla, 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.

During the year, the Ministry of Corporate Affairs, Government of India, had published 'Corporate Governance Voluntary Guidelines 2009'. The Company is reviewing these guidelines.

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.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai
Dated : 26th May, 2010.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2010

No. of Equity Shares held	*No. of Shareholders*	*No. of Shares held*
1 to 50	16,010	4,41,510
51 to 100	7,333	6,22,640
101 to 200	6,104	9,73,147
201 to 500	5,945	20,99,187
501 to 1000	2,347	19,17,899
1001 to 5000	1,905	45,06,448
5001 to 10000	269	20,37,352
10001 & above	290	5,17,30,758
Total	40,203	6,43,28,941

Total No. of Employees 21

CORPORATE GOVERNANCE

INTRODUCTION

Company's Philosophy on Corporate Governance

The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. The Company values business transparency, customer satisfaction, honesty, integrity, professionalism and accountability. The Company follows the principle of fair representation and full disclosures in all its dealings and communication thereby protecting the rights and interests of Shareholders and other stake-holders.

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 Director-ships (including Private Companies)	Other Committee Member-ships**
Shri Pradeep R. Mafatlal, Chairman	Promoter, Non-Executive	8*	1
Shri Russi Jal Taraporevala	Non-Executive & Independent	4	2 (1)
Shri V. C. Vaidya	Non-Executive & Independent	3	—
Shri M. L. Apte	Non-Executive & Independent	9	7
Shri F. M. Pardiwalla,	Non-Executive & Independent	—	—
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. Attendence 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	6	Yes
Shri Russi Jal Taraporevala	4	Yes
Shri V. C. Vaidya	6	Yes
Shri M. L. Apte	5	Yes
Shri F. M. Pardiwalla	6	Yes
Shri K. J. Pardiwalla, Managing Director	6	Yes
Smt. Divya P. Mafatlal	6	Yes

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

Six Board Meetings were held during the Financial Year from 1st April, 2009 to 31st March, 2010. The dates of such Board Meetings are 22.4.2009,12.6.2009, 15.7.2009, 9.9.2009, 28.10.2009, 27.1.2010.

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:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) 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;

(c) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(d) 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;

(e) Recommending to the Board, the appointment, re-appointment and, if required, removal of the statutory auditor and fixation of audit fees.

(f) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

(g) 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, 2010 the Audit Committee met five times. Attendance during the Financial Year is as under:

Members	Meetings attended
Shri R. J. Taraporevala, Chairman	3
Shri V. C. Vaidya	5
Shri F. M. Pardiwalla	5
Shri M. L. Apte	5

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, 2010.

Members	Meetings attended
Shri V. C. Vaidya, Chairman	24
Shri R. J. Taraporevala	13
Shri P. R. Mafatlal	16
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, 2009 to 31st March, 2010	: Two
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 twice in the Financial year from 1st April, 2009 to 31st March, 2010.

Members	Meetings attended
Shri R. J. Taraporevala, Chairman	2
Shri M. L. Apte	2
Shri V. C. Vaidya	2

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:

(Rs. in lakhs)

Salary	Perquisites	Contributions	Total
46.49	4.58	10.60	61.67

V. INVESTMENT COMMITTEE

The Investment Committee is vested with powers to invest an amount not exceeding Rs. 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 five times during the Financial year i.e. on 22nd April, 2009, 12th June, 2009, 9th September, 2009, 28th October, 2009 and 27th January, 2010.

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 minimisation 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.

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, 2010.

Name of the Director	Remuneration paid during April, 2009 to March, 2010			
	Sitting Fees Rs.	Salary & Perks Rs.	Total Rs.	No. of shares held as on 31.3.10
Shri Pradeep R. Mafatlal, Chairman	1,12,000	—	1,12,000	13,555
Shri Russi Jal Taraporevala	1,46,000	—	1,46,000	2,600
Shri V. C. Vaidya	2,18,000	—	2,18,000	34
Shri M. L. Apte	1,55,000	—	1,55,000	2,300
Shri F. M. Pardiwalla	1,93,000	—	1,93,000	4,650
Shri K. J. Pardiwalla Managing Director	—	*61,67,198	*61,67,198	—
Smt. Divya P. Mafatlal	80,000	—	80,000	—
TOTAL	9,04,000	61,67,198	70,71,198	

* Includes the Company's contribution to Provident Fund, Superannuation & Gratuity. Please refer B-1 of Schedule 15 `Notes on Accounts' annexed to the Financial Statements for the period 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
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.
2005-2006	AGM	-----do---	28-9-2006 at 3.00 p.m.

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

A Notice of Postal Ballot dated 9th September, 2009, together with Special Resolution, explanatory statement and postal ballot form(s) were sent to the Shareholders for the purpose of enabling them to cast their votes for shift of Registered Office of the Company. The results of the Postal Ballot are as under:

Subject	Votes in favour	Votes against	Invalid Votes	% in favour
Special Resolution under Section 146 of the Companies Act, 1956, for shifting the Registered Office of the Company from the City Limits of Mumbai to Navi Mumbai in Thane District, within the State of Maharashtra w.e.f. 1st February, 2010 and amendment of Clause II of the Memorandum of Association of the Company in accordance with the provisions of Section 16 of the Companies Act,1956.	39722289	24263	17113	99.94

The above Resolution mentioned in the Notice dated 9th September, 2009 was passed with requisite majority. The said result was declared by a Director on Tuesday, 10th November, 2009.

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 relatives 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-8 in Schedule 15 `Notes on Accounts' annexed to the Financial Statements for the period 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 Management Discussion and Analysis Report forms part of the Annual Report.

XII. GENERAL SHAREHOLDERS' INFORMATION

1. **Annual General Meeting**

Date & Time : 9th August, 2010 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 for the Quarter ended 30th June, 2010.	: Mid August, 2010.
Financial Reporting for the Quarter ended 30th September, 2010.	: Mid November, 2010.
Financial Reporting for the Quarter ended 31st December, 2010.	: Mid February, 2011.
Financial Reporting for the Quarter ended 31st March , 2011.	: End May, 2011.
Annual General Meeting for the year ending 31st March, 2011.	: August/September, 2011

3. **Book Closure Date** : 26th July, 2010 to 9th August, 2010. (both days inclusive).

4. **Dividend Payment Date** : On and from Monday, 16th August, 2010.

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, 2011.

6. **Stock Code**

	Stock Exchange	Stock Code
(a)	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
(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, alongwith necessary documents at the time of lodgement of request for these transactions, is now mandatory.

12. **Distribution of Shareholdings as on 31st March, 2010:**

No. of Equity Shares held	No. of Share-holders	No. of Shares held	% Share-holding
1 to 50	16,010	4,41,510	0.69
51 to 100	7,333	6,22,640	0.97
101 to 200	6,104	9,73,147	1.51
201 to 500	5,945	20,99,187	3.26
501 to 1000	2,347	19,17,899	2.98
1001 to 5000	1,905	45,06,448	7.00
5001 to 10000	269	20,37,352	3.17
10001 & above	290	5,17,30,758	80.42
TOTAL	40,203	6,43,28,941	100.00

13. **Categories of Shareholding as on 31st March, 2010:**

Categories	No. of Share-Holders	No. of Shares held	% Share-holding
Promoters/ Group Companies	5	1,15,39,185	17.94
Public/Pvt. Limited Companies	740	42,79,781	6.65
Insurance Companies	8	25,99,422	4.04
Public Financial Institutions/Banks	23	13,53,943	2.10
Mutual Funds/UTI	15	68,358	0.11
NRIs/OCBs	183	2,55,25,837	39.68
Resident Individuals	39,229	1,89,62,415	29.48
	40,203	6,43,28,941	100.00

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

40.65% of the total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2010. 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, as the Chemicals Unit of the Company was closed with effect from 9th November, 2006 by due process of law.

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.

ANNEXURE – "1"

Month	Month's High Price		Month's Low Price		No. of Shares Traded		Value Rs. (in lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April 2009	15.45	15.50	9.40	9.20	1049133	181489	134.01	24.31
May 2009	22.80	22.70	12.27	12.00	1255808	367841	209.70	64.69
June 2009	25.00	25.40	17.05	17.05	8541037	5216758	1732.21	1040.62
July 2009	28.25	28.70	16.80	16.85	7125256	4551846	1610.20	1016.45
Aug.2009	26.95	27.30	20.40	21.00	2036677	790767	499.13	187.86
Sept. 2009	31.60	30.90	22.30	22.10	4163125	1953725	1199.41	561.19
Oct. 2009	31.85	32.00	25.05	25.85	1884300	1255777	545.49	371.24
Nov. 2009	28.30	28.25	23.55	23.05	1088719	548288	281.80	140.17
Dec. 2009	31.00	30.80	24.15	24.80	1649923	955168	456.56	262.73
Jan. 2010	33.40	33.70	22.75	23.00	2601868	1025862	750.37	303.47
Feb. 2010	26.35	26.45	22.50	22.55	539215	213282	130.70	51.68
March 2010	38.70	38.75	24.20	24.50	3605216	1787803	1142.21	561.88

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, 2010.

Period	Share price	Sensex	Relative to Sensex
01.04.2009 to 31.03.2010	+ 284.88 %	+ 79.85 %	+ 205.03 %

(b) SIL share price performance relative to NSE Nifty based on share price on 31st March, 2010:

Period	Share price	Nifty	Relative to Nifty
01.04.2009 to 31.03.2010	+ 320.11 %	+ 73.59 %	+ 246.52 %

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, 2010, 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 : 26th May, 2010.

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, 2010, 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 : 26th May, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADING DIVISION

Due to global economic scenario the textile market is sluggish and the sale of textile fabrics have been adversely affected. The raw material rates have increased by 25% to 30% and because of inflationary trend, there is little resistance in offtake. The Company has added a few varieties in its regular suiting and shirting range. The Company is also contemplating to introduce new products in its range such as cushion covers, handkerchieves, etc. in the trading business for the domestic market.

Chemical Trading was done to a limited extent in the Financial Year under review. The Caustic Soda market was very competitive due to excess supply in the local market coupled with the fact that a lot of it was imported. The Company could not procure Caustic Soda directly from the local manufacturers but had to outsource it through other Traders. Besides, many major bulk consumers prefer to indent material directly from the approved dealers of certain Manufacturers only. Hence the Company lost its competitive edge as far as the pricing in the local market is concerned.

REAL ESTATE DIVISION

The year under review was extremely challenging. The real estate market for commercial property witnessed an unprecedented turbulence with the continued global economic meltdown. Under such a critical situation there was a setback on the Company's efforts to utilize the balance portion of 63 acres of land for development of Information Technology Park, Commercial offices, Hospitality projects, Malls, etc. in a commercially viable manner.

However, in spite of the sluggish situation, the Company is continuously in touch with various Real Estate Developers/ Investors/Fund Managers for the development of its prime piece of 63 acres of land situated in Navi Mumbai at Thane Belapur Road, Opposite Ghansoli Railway Station and adjacent to widespread Reliance Corporate Park. Given the prevalent sentiments in the real estate market, the Company is forced to follow a very cautious approach in respect of the development of Navi Mumbai property.

INDUSTRY OUTLOOK

The Indian real estate sector plays an important role in the country's economy. However, the world economy witnessed a continued grave financial crisis during the financial year under review, which resulted in collapse of several top ranking financial institutions, investment banks, insurance companies and mortgage lenders. This global recession also had an impact on Indian economy by way of financial crisis in the form of drying up of capital inflows. However, due to the strict regulated financial control of Reserve Bank of India, the Indian Banking Sector has not been much affected as much as its counterparts in the other developed countries. Indian economy will achieve an early and fast recovery in due course.

The Indian real estate sector plays a significantly important role in the country's economy. This sector is only second to agriculture in terms of employment and contributes significantly to the gross domestic product (GDP).

The various segments which may be broadly classified for Company's business are Information Technology Parks, Commercial offices, Hospitality projects, Malls, etc. whether on its own or as a joint venture or otherwise in one or more tranches in a commercially viable manner. The global economic slow down coupled with liquidity crunch due to global financial crisis has resulted in reduced demand for realty business. However, inspite of this, the Company is focusing all its efforts towards utilizing the 63 acres of prime piece of land at Navi Mumbai for development on the lines indicated above.

Strengths:

1. Significant rise in consumerism due to improvement in infrastructure facilities in Navi Mumbai.
2. Rapid urbanization.
3. Fiscal incentives to developers.
4. Historical low cost of land.
5. 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 as desired by it. With the State and National level policies of on-going reforms to provide sufficient impetus to infrastructure construction and Real Estate activity, there may be a boom for the Real Estate Industry in the long run.

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 at its disposal, balance approx. 63 acres of land which it had acquired at a low historical cost.
2. To withstand the tough economic environment over the last year, the Company has implemented

a strategy which allowed it to be in a relatively comfortable liquidity position so that it could adopt a policy whereby it could test the realty market conditions before rushing into any agreement/ transaction of real estate in order to book the profits. The Company may consider development of land on its own or through joint venture or an outright sale of land as it may deem fit for mutual convenience of the potential partner/venture investor.

RISKS & CONCERNS

1. Economic slow down may impact the growth of Real Estate Sector.
2. Competitive pricing by peers may affect margins in the long run.
3. Rising interest rates and credit squeeze for realty sector may create financial bottlenecks in the long run.

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, 2010, the employees' strength (on permanent roll) of the Company was 21.

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, 2010, 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, 2010;

      (ii) in the case of the Profit and Loss Account, of the profit 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, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 : 26th May, 2010

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 Rs. 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 at Company's textile and chemical division. 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.(Refer Note B 19 of schedule 16).

(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, Sales Tax, Wealth Tax, Service 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 Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 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 Rs. 347.25 lakhs (Rs. 106.93 lakhs pending before Commissioner of Central excise, Rs. 101.45 lakhs pending before the CESTAT, Rs. 138.87 lakhs pending before Assistant/ Deputy Commissioner of Central excise) except for these, there are no other cases of non-deposit with appropriate authorities of disputed dues in respect of Income tax, Excise duty, Custom duty, Sales tax, Wealth tax, Service tax and Cess.

(xi) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses in the current year and in the immediately preceding financial period.

(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 : 26th May, 2010

BALANCE SHEET
AS AT 31ST MARCH, 2010

	Schedule No.	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital	**1**	**3216.45**		*3216.45*
(b) Reserves and Surplus	**2**	**13030.47**		*12725.29*
			16246.92	*15941.74*
Total....			**16246.92**	*15941.74*
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS:	**3**			
(a) Gross Block		**4183.30**		*2176.40*
(b) *Less:* Depreciation/Amortisation		**636.76**		*616.61*
(c) Net Block		**3546.54**		*1559.79*
Add: Advances for Capital Expenditure		**—**		*309.74*
			3546.54	*1869.53*
2. INVESTMENTS	**4**		**6237.62**	*1443.54*
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	**5**	**157.13**		*188.47*
(b) Sundry Debtors	**6**	**110.13**		*237.01*
(c) Cash and Bank Balances	**7**	**6389.21**		*13952.22*
(d) Loans and Advances	**8**	**1742.18**		*1645.00*
		8398.65		*16022.70*
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities	**9**	**646.55**		*2297.49*
(b) Provisions	**10**	**1289.34**		*1096.54*
		1935.89		*3394.03*
NET CURRENT ASSETS			**6462.76**	*12628.67*
Total....			**16246.92**	*15941.74*
Significant Accounting Policies and Notes on Accounts....	**15**			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

RUSSI JAL TARAPOREVALA
V. C. VAIDYA
F. M. PARDIWALLA
DIVYA P. MAFATLAL
Directors

Mumbai, Dated: 26th May, 2010

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Rupees in lakhs	Rupees in lakhs	*Previous Period From 01.10.07 to 31.03.09 Rupees in lakhs*
INCOME:				
Sales-Traded goods			**705.79**	*3126.17*
Other Income	**11**		**3107.62**	*21536.40*
Amount withdrawn from Revaluation Reserve (Refer Note B 3 of Schedule 15)			**5.47**	*7.89*
(Decrease)/Increase in stocks of finished goods-Traded	**12**		**(31.34)**	*20.36*
			3787.54	*24690.82*
EXPENDITURE:				
Purchase of traded goods			**637.49**	*3841.10*
Operating and other expenses	**13**		**1979.98**	*5397.08*
Reversal of Gain on cancellation of Agreement for sale (Refer Note B 15 of Schedule 15)			**—**	*6775.14*
Depreciation/Amortisation			**111.17**	*139.87*
Interest	**14**		**—**	*8.33*
			2728.64	*16161.52*
Profit before taxes			**1058.90**	*8529.30*
Provision for tax:				
Current Tax [including **Rs. 7.60 lakhs** *(Previous period Rs. 7.36 lakhs)* for Wealth Tax]		**(192.60)**		*(3127.86)*
Fringe Benefits Tax		**—**		*(30.00)*
			(192.60)	*(3157.86)*
Excess Provision for taxes in respect of earlier years			**6.95**	*—*
Profit after taxes			**873.25**	*5371.44*
Balance brought forward from previous period			**9021.85**	*4,943.03*
Balance available for appropriation			**9895.10**	*10314.47*
Proposed Dividend on Equity Shares			**482.47**	*321.65*
Interim Dividend			**—**	*321.65*
Corporate Tax on dividend			**80.13**	*109.32*
Transfer to General Reserve			**45.00**	*540.00*
Surplus carried to Balance Sheet			**9287.50**	*9021.85*
Basic and Diluted earnings per share (Rupees)			**1.36**	*8.35*
Nominal Value per share (Rupees)			**5.00**	*5.00*
(Refer Note No. B 10 of Schedule 15)				
Significant Accounting Policies and Notes on Accounts	**15**			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

RUSSI JAL TARAPOREVALA
V. C. VAIDYA
F. M. PARDIWALLA
DIVYA P. MAFATLAL
Directors

Mumbai, Dated: 26th May, 2010

CASH FLOW STATEMENT
FOR THE YEAR FROM 1ST APRIL, 2009 TO 31ST MARCH, 2010

	Rupees in lakhs	Rupees in lakhs	*Previous period from 01.10.2007 to 31.03.2009* *Rupees in lakhs*	*Rupees in lakhs*
A. **CASH FLOW FROM OPERATING ACTIVITIES:**				
NET PROFIT BEFORE TAXES		**1058.90**		*8529.30*
Adjustments for:				
Depreciation	**105.70**		*131.98*	
Provision for Doubtful Advances	**—**		*209.10*	
Loss on sale/write off of Fixed Assets	**38.96**		*282.18*	
Reversal of Gain on cancellation of Agreement for Sale	**—**		*6775.14*	
Provision for Doubtful Debts written back	**(149.31)**		*—*	
Provision in respect of Electricity Duty written back	**(1375.74)**		*—*	
Sundry Credit balances written back	**(51.27)**		*(115.05)*	
Dividend on Long Term Investments	**(117.79)**		*(19.27)*	
Interest Expenses	**—**		*8.33*	
Interest income on Fixed Deposits with Banks	**(885.62)**		*(1402.18)*	
Interest income on Inter Corporate Deposits	**(46.55)**		*(2.59)*	
Interest income on Sales tax/Income tax refund	**(29.66)**		*—*	
Interest income on Long Term Investments	**(0.02)**		*(1.37)*	
Interest income on others	**(3.86)**		*(3.47)*	
Profit on Assignment of Leasehold Rights	**—**		*(18999.72)*	
VRS Expenses Paid/Written off	**(0.40)**		*129.24*	
Profit on Sale/Redemption of Long Term Investments	**(3.18)**		*(256.32)*	
Sale of Transferable Development Rights	**(18.67)**		*(309.68)*	
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES		**(2537.41)**		*(13573.68)*
Decrease in Trade and other receivables	**128.72**		*1963.35*	
Decrease in Inventories	**31.34**		*334.80*	
(Decrease) in Trade and other payables	**(219.50)**		*(1447.12)*	
		(59.44)		*851.03*
		(1537.95)		*(4193.35)*
Direct Taxes paid		**(256.32)**		*(3007.61)*
NET CASH USED IN OPERATING ACTIVITIES (A)		**(1794.27)**		*(7200.96)*
B. **CASH FLOW FROM INVESTING ACTIVITIES:**				
Purchase of Fixed Assets	**(1829.89)**		*(1031.21)*	
Purchase of Investments	**(11130.81)**		*(1858.12)*	
Assignment of Leasehold rights (Net)	**—**		*19002.85*	
Sale of Fixed Assets	**2.75**		*236.61*	
Dividend on Long Term Investments	**117.79**		*19.27*	
Interest income on Fixed Deposits with Banks	**885.62**		*1402.18*	
Interest income on Inter Corporate Deposits	**46.55**		*2.59*	
Interest income on Sales tax/Income tax refund	**29.66**		*—*	
Interest income on Long Term Investments	**0.02**		*1.37*	
Interest income on others	**3.86**		*3.47*	
Sale of Investments	**6339.91**		*1305.34*	
Sale of Transferable Development Rights	**18.67**		*309.68*	
Inter Corporate Deposit	**120.00**		*350.00*	
NET CASH (USED)/GENERATED FROM INVESTING ACTIVITIES (B)		**(5395.87)**		*19744.03*

CASH FLOW STATEMENT (Contd.)
FOR THE YEAR FROM 1ST APRIL, 2009 TO 31ST MARCH, 2010

	Rupees in lakhs	Rupees in lakhs	*Previous period from 01.10.2007 to 31.03.2009* *Rupees in lakhs*	*Rupees in lakhs*
C. **CASH FLOW FROM FINANCING ACTIVITIES:**				
Repayment of Fixed Deposits	**—**		*(0.16)*	
Dividend Paid	**(318.21)**		*(794.70)*	
Corporate Dividend Tax paid	**(54.66)**		*(136.68)*	
Interest paid	**—**		*(8.33)*	
NET CASH USED IN FINANCING ACTIVITIES (C)		**(372.87)**		*(939.87)*
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		**(7563.01)**		*11603.20*
CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)		**13952.22**		*2349.02*
CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)		**6389.21**		*13952.22*

Notes:

1. Components of cash and cash equivalents include cash and bank balances (Refer Schedule 7 forming part of the Balance Sheet).
2. Cash and Cash equivalents include balance in fixed deposits aggregating to **Rs. 105.23 lakhs** *(Previous period Rs. 363.81 lakhs)* over which the Banks have lien.
3. Cash and Cash equivalents include current balances in current account with Banks aggregating to **Rs. 25.44 lakhs** *(Previous period Rs. 21.99 lakhs)* which are restricted in use on account of unclaimed Dividends.
4. 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

For Deloitte Haskins & Sells
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 26th May, 2010

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

RUSSI JAL TARAPOREVALA
V. C. VAIDYA
F. M. PARDIWALLA
DIVYA P. MAFATLAL
Directors

SCHEDULES 1 TO 15
FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Schedule 1

SHARE CAPITAL

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
Authorised:			
15,00,00,000 Equity Shares of Rs. 5/- each		**7500.00**	*7500.00*
Issued, Subscribed and Paid-up:			
6,43,28,941 Equity Shares of Rs. 5/- each		**3216.45**	*3216.45*
Notes:			
(a) 3,98,000 Equity Shares of the original value of Rs. 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 Rs. 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 Rs. 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 Rs. 10/- each are allotted as fully paid-up pursuant to conversion of Partly Convertible Debentures.			
Total....		**3216.45**	*3216.45*

Schedule 2

RESERVES AND SURPLUS

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
1. Capital Redemption Reserve Account:			
As per last Balance Sheet		**12.00**	*12.00*
2. Securities Premium Account:			
As per last Balance Sheet		**2526.90**	*2526.90*
3. Revaluation Reserve:			
As per last Balance Sheet	**205.54**		*339.06*
Adjustment on account of revalued assets sold/discarded during the period	**—**		*125.63*
	205.54		*213.43*
Less: Withdrawn from the Reserve and Credited to Profit and Loss Account	**5.47**		*7.89*
		200.07	*205.54*
4. General Reserve:			
As per last Balance Sheet	**959.00**		*419.00*
Transferred from Profit and Loss Account	**45.00**		*540.00*
		1004.00	*959.00*
5. Surplus in Profit and Loss Account		**9287.50**	*9021.85*
Total....		**13030.47**	*12725.29*

Schedule 3

FIXED ASSETS

(Rs. in lakhs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 01.04.2009*	Additions	Deductions	Adjustment	**As at 31.03.2010**	Upto 31.03.2009	For the period	Deductions	Adjustment	**Upto 31.03.2010**	**As at 31.03.2010**	*As at 31.03.2009*
Leasehold Land	706.88	1809.55	—	—	**2516.43**	53.57	26.77	—	—	**80.34**	**2436.09**	*653.31*
Freehold land	24.42	—	—	—	**24.42**	—	—	—	—	**—**	**24.42**	*24.42*
Buildings	381.08	327.01	26.36	—	**681.73**	153.58	6.44	14.01	—	**146.01**	**535.72**	*227.50*
Plant and Machinery	303.31	1.87	86.99	—	**218.19**	163.73	16.94	61.32	—	**119.35**	**98.84**	*139.58*
Furniture Fixture and Dead Stock	303.15	1.20	15.04	—	**289.31**	162.38	18.27	14.01	—	**166.64**	**122.67**	*140.77*
Motor Cars and Vehicles	457.56	—	4.34	—	**453.22**	83.35	42.75	1.68	—	**124.42**	**328.80**	*374.21*
Total	2176.40	2139.63	132.73	—	**4183.30**	616.61	111.17	91.02	—	**636.76**	**3546.54**	*1559.79*
Previous Period	*2840.65*	*721.47*	*1508.54*	*122.82*	*2176.40*	*1417.40*	*139.87*	*986.62*	*45.96*	*616.61*		
Advances for Capital Expenditure											**—**	*309.74*
TOTAL											**3546.54**	*1869.53*

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 **Rs. 5187.34 lakhs** *(Gross Rs. 10985.11 lakhs less accumulated depreciation Rs. 5797.77 lakhs)*, which had been transferred to Revaluation Reserve.
2. Buildings include the sum of Rs. 20.09 lakhs being the revalued cost of ownership flats and Rs. 412.81 lakhs being the original cost of ownership flats. The Company holds 125 Shares of the aggregate face value of **Rs. 0.06 lakh** *(Previous year Rs. 0.05 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. Depreciation for the year shown above includes depreciation provided on revalued cost of assets.
4. Additions to leasehold land is on account of land development expenses such as roads filling, leveling etc.

Schedule 4

INVESTMENTS (LONG TERM) (AT COST)

		Rupees in lakhs	**Rupees in lakhs**	**Rupees in lakhs**	*As at 31.03.2009 Rupees in lakhs*
1.	In Government securities (Unquoted) of the face value of Rs. 0.04 lakh held as security by Government authorities				*0.04*
	Less: Written off.....				*0.04*
				—	—
2.	**In Equity Shares of subsidiary companies: (Unquoted) (Non-trade):**				
	(a) Standard Salt Works Limited:				
	223 Equity shares of the face value of Rs. 100/- each fully paid		**0.89**		*0.89*
	46777 Equity shares of the face value of Rs. 100/- each – Rs. 30 per share paid-up.....		**59.89**		*59.89*
	Carried Forward....	**—**	**60.78**	**—**	*60.78*

Schedule 4 (Contd.)

INVESTMENTS (LONG TERM) (AT COST)

		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
	Brought Forward....	—	**60.78**	—	*60.78*
(b) Stan Plaza Limited:					
50007	Equity Shares of the face value of Rs. 10/- each fully paid-up.....		**5.00**		*5.00*
(c) Mafatlal Enterprises Limited:					
50007	Equity Shares of the face value of Rs. 10/- each fully paid-up.....		**5.00**		*5.00*
				70.78	*70.78*
3. In Equity Shares/Bonds of other companies/ Mutual Fund (Fully paid):					
(a) Trade Investments (Unquoted)					
Nil	*(Previous period 8060)* Equity Shares of Mafatlal Services Limited of the face value of Rs. 100/- each.....			—	*8.06*
(b) Non-Trade Investments: (Quoted)					
13320	Equity Shares of NOCIL Limited of the face value of Rs. 10/- each	**0.17**			*0.17*
1350	*(Previous period Nil)* Equity Shares of Stanrose Mafatlal Investment & Fin. Limited of the face value of Rs. 10/- each.....	**1.09**			—
20000	*(Previous period Nil)* Equity Shares of Finolex Industries Ltd. of the face value of Rs. 10/- each	**11.44**			—
2400	Equity Shares of State Bank of India of the face value of Rs. 10/- each.....	**38.16**			*38.16*
			50.86		*38.33*
(c) Non-Trade Investments: (Unquoted)					
Nil	*(Previous period 200)* Equity Shares of Stanrose Mafatlal Lubechem Limited of the face value of Rs. 5/- each				*0.32*
	Less: Written off.....				*0.32*
			—*		*—**
2000	Equity Shares of Syngenta India Limited of the face value of Rs. 10/- each	**8.69**			*8.69*
5500000	units *(Previous period Nil)* of Tata Fixed Maturity Plan Rs. 10/- each	**550.00**			—
NIL	*(Previous period 290)* 6.75% Tax free bonds of Unit Trust of India of Rs. 100/- each	—			*0.29*
NIL	*(Previous period 3166688.366 units)* of HDFC Cash Management Fund of Rs. 10/- each.....	—			*317.39*
NIL	*(Previous period 5000000 units)* of Templeton Fixed Horizon Fund of Rs. 10/- each.....	—			*500.00*
	Carried Forward....	**558.69**	**50.86**	**70.78**	*943.54*

Schedule 4 (Contd.)

INVESTMENTS (LONG TERM) (AT COST)

		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
	Brought Forward....	**558.69**	**50.86**	**70.78**	*943.54*
NIL	*(Previous period 5000000 units)* of Reliance Fixed Horizon Fund of Rs.10/- each.....	**—**			*500.00*
41969.317	units *(Previous period Nil* of HDFC Cash management Fund (TAP) Rs. 10/- each	**4.21**			—
30893.994	units *(Previous period Nil)* of Templeton India Cash Management Account Rs. 10/- each.....	**3.08**			—
3556578.701	units *(Previous period Nil)* of Fortis Flexi Debt Fund Rs. 10/- each.....	**550.00**			—
50000000	units *(Previous period Nil)* HDFC Fixed Maturity Plan Rs. 10/- each.....	**5000.00**			—
			6115.98		—
				6166.84	—
	Total....			**6237.62**	*1443.54*

Note:

			Cost Rupees in lakhs	Market Value Rupees in lakhs
1.	(a)	Aggregate of quoted investments.....	**50.86**	**66.72**
		Previous period.....	*38.33*	*27.13*
	(b)	Aggregate of unquoted investments	**6186.76**	
		Previous period.....	*1405.21*	
		Total....	**6237.62**	
		Previous period....	*1443.54*	

*The cost of these shares as on 31.03.10 is Re. 1

Schedule 5

INVENTORIES

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
Stock-in-Trade:			
Traded Goods.....		**157.13**	*188.47*
Total....		**157.13**	*188.47*

Schedule 6

SUNDRY DEBTORS

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
(Unsecured)			
1. Debts outstanding for a period exceeding six months.....		**447.22**	*732.84*
2. Other Debts.....		**58.59**	*49.16*
		505.81	*782.00*
Less: Provision.....		**395.68**	*544.99*
Total....		**110.13**	*237.01*
Note:			
Sundry Debtors include:			
Considered good.....		**110.13**	*237.01*
Considered doubtful.....		**395.68**	*544.99*
Total....		**505.81**	*782.00*

Schedule 7

CASH AND BANK BALANCES

1. Cash on hand.....		**5.14**	*7.31*
2. Bank Balances:			
(a) With Scheduled Banks:			
(i) In Current Accounts.....	**178.29**		*362.54*
(ii) In Short Term Deposits [includes Fixed Deposits of **Rs. 105.23 lakhs** *(Previous period Rs. 363.81 lakhs)* over which Banks have lien].....	**6205.78**		*13582.37*
		6384.07	*13944.91*
(b) In Post Office Savings Bank Account (the maximum amount outstanding at any time during the year **Nil** – *Previous period Rs. 0.11 lakhs*).....			*0.11*
Less: Written off.....			*0.11*
		—	*—*
Total....		**6389.21**	*13952.22*

Schedule 8

LOANS AND ADVANCES:

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
(Unsecured)			
1. Advances to Subsidiary Companies		**157.04**	*121.96*
2. Advances recoverable in cash or in kind or for value to be received		**1225.94**	*1322.74*
3. Inter Corporate Deposit		**470.00**	*350.00*
4. Balances with Central Excise Collectorate		**4.70**	*4.70*
5. Advance tax (Net)		**257.46**	*187.75*
6. Assets held for disposal		**—**	*30.81*
		2115.14	*2017.96*
Less: Provision		**372.96**	*372.96*
Total....		**1742.18**	*1645.00*
Notes:			
1. Considered good		**1742.18**	*1645.00*
Considered doubtful		**372.96**	*372.96*
Total....		**2115.14**	*2017.96*

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

(Rupees in Lakhs)

Name	Outstanding as on 31.03.2010	Maximum Amount Outstanding
Stan Plaza Limited	**0.21**	**0.21**
Previous period	*0.20*	*11.21*
Mafatlal Enterprises Limited	**0.13**	**0.13**
Previous period	*0.12*	*1.13*
Standard Salt Works Limited	**156.70**	**156.70**
Previous period	*121.64*	*121.64*

(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 Period Nil)*

Schedule 9

LIABILITIES

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
Current Liabilities:			
1. Sundry Creditors			
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note B6 of Schedule 15)	**—**		—
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**508.05**		*772.85*
		508.05	*772.85*
2. Other liabilities		**109.03**	*1498.21*
3. VRS dues payable		**5.23**	*5.63*
4. Unclaimed Dividend		**24.24**	*20.80*
Total....		**646.55**	*2297.49*

Schedule 10

PROVISIONS

Provision for Taxes (Net)	**55.21**	*52.32*
Provision for Fringe benefits tax (Net)	**5.25**	*9.10*
Provision for disputed rent	**583.66**	*583.66*
Provision for gratuity	**51.14**	*50.11*
Provision for Compensated Absences	**31.48**	*25.04*
Proposed Dividend	**482.47**	*321.65*
Corporate Dividend Tax	**80.13**	*54.66*
Total....	**1289.34**	*1096.54*

Schedule 11

OTHER INCOME

	Rupees in lakhs	Rupees in lakhs	*Previous Period From 01.10.07 To 31.03.09 Rupees in lakhs*
Interest Income:			
On Fixed Deposits with Banks (Tax deducted at Source **Rs. 91.73 lakhs** – *Previous period Rs. 316.70 lakhs*)		**885.62**	*1402.18*
On Inter-corporate deposit (Tax deducted at Source **Rs. 4.66 lakhs** – *Previous period Rs. 0.59 lakhs*)		**46.55**	*2.59*
On Sales Tax/Income Tax Refund		**29.66**	*—*
On Long Term Investment		**0.02**	*1.37*
On others (Tax deducted at Source **Rs. 0.13 lakhs** – *Previous period Rs. 1.30 lakhs*)		**3.86**	*3.47*
Dividend on Long Term Investments		**117.79**	*19.27*
Sundry Credit Balances written back		**51.27**	*115.05*
Miscellaneous Income		**29.11**	*293.92*
Royalty received (Tax deducted at Source **Rs. 2.08 lakhs** – *Previous period Rs. 4.31 lakhs*)		**20.19**	*40.39*
Sales Tax refund received		**249.57**	*—*
Refund of regulatory liability charges		**127.08**	*92.44*
Profit on sale/redemption of long-term investments		**3.18**	*256.32*
Sale of Transferable Development Rights (Refer Note B 16 of Schedule 15)		**18.67**	*309.68*
Provision for Doubtful Debts Written Back		**149.31**	*—*
Provision in respect of electricity duty Written Back (Refer Note B 4 (4) of Schedule 15)		**1375.74**	*—*
Profit on Assignment of Leasehold Rights (Refer Note B 14 of Schedule 15)		**—**	*18999.72*
Total....		**3107.62**	*21536.40*

Schedule 12

(DECREASE)/INCREASE IN STOCKS OF FINISHED GOODS

Stocks on 31st March, 2010			
Finished goods – Traded		**157.13**	*188.47*
Less: Stocks on 31st March, 2009			
Finished goods – Traded		**188.47**	*168.11*
(Decrease)/Increase....		**(31.34)**	*20.36*

Schedule 13

OPERATING AND OTHER EXPENSES

			Rupees in lakhs	Rupees in lakhs	*Previous Period From 01.10.07 To 31.03.09 Rupees in lakhs*
1.	**Payments to and Provisions for employees:**				
	(a) Salaries, Wages and Bonus		**154.24**		*261.49*
	(b) Contribution to Provident, Superannuation, Gratuity and other Funds		**59.81**		*36.17*
	(c) Welfare Expenses		**35.92**		*36.05*
				249.97	*333.71*
2.	**Other Expenses:**				
	(a) Packing Material consumed		**9.09**		*26.19*
	(b) Power and Fuel		**37.31**		*61.83*
	(c) Rent (including Lease Rent **Rs. 6.01 lakhs** – *Previous period Rs. 10.83 lakhs*)		**106.18**		*161.35*
	(d) Expenses on Property on Leave and Licence		**—**		*0.83*
	(e) Charges for Corporate Office service and facility		**119.12**		*181.84*
	(f) Repairs:				
	To Buildings	**141.90**			*77.48*
	To Machinery	**8.03**			*0.15*
	To Others	**15.45**			*31.19*
			165.38		*108.82*
	(g) Insurance		**6.05**		*10.48*
	(h) Rates and Taxes		**18.22**		*57.56*
	(i) Stationery, Printing, Advertisement, Postage and Telegrams etc.		**60.19**		*71.61*
	(j) Contributions and Donations		**21.96**		*60.38*
	(k) Commission, Brokerage and Discount on Sales		**7.98**		*209.31*
	(l) Transport and Freight charges		**3.82**		*16.35*
	(m) Consulting Fees		**79.97**		*158.97*
	(n) Raw Materials Written off		**—**		*198.77*
	(o) Stores and Spare-parts written off		**—**		*30.96*
	(p) Sundry Debit Balances written off		**300.08**		*82.08*
	(q) Long Term Investment written off		**—**		*0.36*
	(r) Loss on Sale/write-off of fixed Assets		**38.96**		*282.18*
	(s) Land Levelling and Development charges		**294.36**		*—*
	(t) Directors' Fees		**9.04**		*9.62*
	(u) Provision for Doubtful Debts and Advances		**—**		*209.10*
	(v) V.R.S. Expenses written off (Refer Note B 13 of Schedule 15)		**—**		*2301.30*
	(w) Post Office Saving Bank account written off		**—**		*0.11*
	(x) Travelling and Conveyance Expenses		**126.42**		*330.50*
	(y) Security Charges		**40.38**		*23.35*
	(z) Miscellaneous Expenses		**285.50**		*469.52*
				1730.01	*5063.37*
	Total....			**1979.98**	*5397.08*

Note: Miscellaneous Expenses includes Fees and subscription, Bank Charges, Legal charges, etc.

Schedule 14

INTEREST

		Previous Period
On Inter Corporate Deposit	**—**	*8.33*
Total....	**—**	*8.33*

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 recognised in the period in which the results are known/materialise.

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.

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 recognise the decline.

A5. **Inventories:**

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

A6. **Doubtful Debts/Advances:**

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

A7. **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.

A8. **Sales/Turnover:**

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

A9. **Revenue Recognition:**

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

A10. **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.

A11. **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 No. B3 below).

(iii) Cost of leasehold land is written off over the period of lease.

Schedule 15 — (Contd.)

A. SIGNIFICANT ACCOUNTING POLICIES:

A12. **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.

A13. **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.

A14. **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised 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.

A15. **Taxes on Income:**

Tax expenses comprises of current tax, deferred tax and fringe benefits 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 period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognised 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 recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognised in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India (ICAI). Tax on distributed profits payable in accordance with the provisions of the Income-tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the ICAI.

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

		Rupees in lakhs	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B1.	Managerial Remuneration U/s. 198 of the Companies Act, 1956			
	To The Managing Director			
	(i) Remuneration		**46.49**	*35.78*
	(ii) Perquisites in cash or in kind		**4.58**	*1.27*
	(iii) Contribution towards Provident and other Funds		**10.60**	*9.54*
	Total Managerial Remuneration		**61.67**	*46.59*
B2.	Payments to Auditors:			
	(a) As Auditors		**7.50**	*10.00*
	(b) For Audit of Accounts for Tax Purposes and Tax Audit		**6.50**	*13.50*
	(c) As Advisor or in any other capacity in respect of:			
	Taxation matters		**—**	*1.00*
	(d) In any other manner (certification etc.)		**20.38**	*25.17*
	(e) For expenses		**0.08**	*0.10*
	(f) For service tax		**3.54**	*6.02*
			38.00	*55.79*

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees in lakhs	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B3. Depreciation:			
(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 **Rs. 5.47 Lakhs** *(Previous period Rs. 7.89 lakhs)* 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			
B4. 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**	*49.87*
b. Claims in respect of Labour matters		**36.37**	*40.53*
c. Arrears of Water charges		**45.06**	*96.16*
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 authorites. The Company is confident that the cases will be successfully contested		**347.25**	*377.97*
4. 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 current year, the Hon'ble 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 Rs.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**	—
B5. The net amount of exchange (loss)/Gain included in Profit and Loss Account for the year/period		**(0.04)**	*0.03*
B6. 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.			

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

B7. SEGMENT INFORMATION:

Information about primary business segments.

The Company's primary business segments are as follows:

(i) Trading

(ii) Real Estate

(Rupees in lakhs)

	Trading	Real Estate	Total
(a) REVENUE	**705.91**	**2037.79**	**2743.70**
	3126.17	*20107.52*	*23233.69*
RESULT:			
Segment Result	**(6.90)**	**1315.01**	**1308.11**
	(762.24)	*8801.47*	*8039.23*
Unallocated Corporate Expenses			**1332.79**
			929.86
Operating Profit			**(24.68)**
			7108.75
Interest Expenses			**—**
			8.33
Interest Income			**1083.58**
			1428.88
Income tax/Wealth-tax/FBT			**192.60**
			3157.86
Excess provision for Tax			**6.95**
			—
Net Profit after taxes			**873.25**
			5371.44
OTHER INFORMATION:			
Segment Assets	**399.37**	**4899.16**	**5298.53**
	433.05	*3318.84*	*3751.89*
Unallocated Corporate Assets			**16783.80**
			19326.68
Total Assets			**22082.33**
			23078.57
Segment Liabilities	**79.42**	**541.57**	**620.99**
	104.85	*2162.70*	*2267.55*
Unallocated Corporate Liabilities			**4651.80**
			4869.30
Total Liabilities			**5272.79**
			7136.85

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

(Rupees in lakhs)

		Trading	Real Estate	Total
(b)	Capital Expenditure	**—**	**2139.63**	**2139.63**
		6.52	714.95	*721.47*
	Depreciation	**0.71**	**104.99**	**105.70**
		0.88	*131.10*	*131.98*

The Company does not have any reportable secondary segments.

Note: Figures shown in italics are for previous period

B8. 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
Shailaja Enterprises Pvt. Ltd.	
Sandeep Chemicals Private Limited	
Anudeep Enterprises Pvt. Ltd.	
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla	Key Management Personnel

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

(c) Details of transactions with related parties:

(Rupees 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
Leave and Licence fees:				
Shanudeep Private Limited.....	**—**	**93.38**	**—**	**93.38**
	(—)	*(142.16)*	*(—)*	*(142.16)*
Corporate Office and Service facilities:				
Shanudeep Private Limited.....	**—**	**119.12**	**—**	**119.12**
	(—)	*(181.84)*	*(—)*	*(181.84)*
Recovery of common expenses:				
Shanudeep Private Limited.....	**—**	**11.44**	**—**	**11.44**
	(—)	*(9.83)*	*(—)*	*(9.83)*
Advances given to:				
Standard Salt Works Limited	**35.05**	**—**	**—**	**35.05**
	(50.59)	*(—)*	*(—)*	*(50.59)*
Stan Plaza Limited.....	**0.01**	**—**	**—**	**0.01**
	(0.01)	*(—)*	*(—)*	*(0.01)*
Mafatlal Enterprises Limited.....	**0.01**	**—**	**—**	**0.01**
	(0.01)	*(—)*	*(—)*	*(0.01)*
Managerial Remuneration:				
Mr. K. J. Pardiwalla.....	**—**	**—**	**61.67**	**61.67**
	(—)	*(—)*	*(46.59)*	*(46.59)*
Directors' Sitting Fees:				
Mr. Pradeep R. Mafatlal.....	**—**	**—**	**1.12**	**1.12**
	(—)	*(—)*	*(1.34)*	*(1.34)*
Mrs. Divya P. Mafatlal	**—**	**—**	**0.80**	**0.80**
	(—)	*(—)*	*(0.70)*	*(0.70)*
Amounts due to as at 31.03.2010:				
Sandeep Chemicals Private Limited	**—**	**0.09**	**—**	**0.09**
	(—)	*(0.09)*	*(—)*	*(0.09)*
Amounts due from as at 31.03.2010:				
Shailaja Enterprises Pvt. Ltd.	**—**	**—**	**—**	**—**
	(—)	*(6.18)*	*(—)*	*(6.18)*
Anudeep Enterprises Pvt. Ltd.	**—**	**—**	**—**	**—**
	(—)	*(3.64)*	*(—)*	*(3.64)*
Standard Salt Works Limited	**156.70**	**—**	**—**	**156.70**
	(121.64)	*(—)*	*(—)*	*(121.64)*
Stan Plaza Limited.....	**0.21**	**—**	**—**	**0.21**
	(0.20)	*(—)*	*(—)*	*(0.20)*
Mafatlal Enterprises Limited.....	**0.13**	**—**	**—**	**0.13**
	(0.12)	*(—)*	*(—)*	*(0.12)*

NOTES:

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

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B9. 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	**32.98**	*86.40*
Amount due later than one year and not later than five years	**—**	*32.98*
Amount due later than five years	**—**	*—*
(b) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is **Rs. 86.40 lakhs** *(Previous period Rs. 129.60 lakhs)*		
B10. 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 period as under:		
Profit after taxes (Rs. in lakhs) attributable to Equity Shareholders	**873.25**	*5371.44*
Weighted average number of equity shares outstanding during the period (Nos.)	**64328941**	*64328941*
Basic/Diluted Earnings per share (Rs.)	**1.36**	*8.35*
Nominal value per share (Rs.)	**5.00**	*5.00*
B11. COMPONENTS OF DEFERRED TAX ASSET/(LIABILITY) ARE AS UNDER:		
Difference in Tax and Book Written Down Value of fixed assets	**(26.38)**	*(283.95)*
Unabsorbed carry forward Business Loss	**668.26**	*539.52*
Disallowance U/s. 43B of Income-tax Act, 1961	**0.05**	*493.20*
Provision for Doubtful Debts	**134.49**	*185.24*
Provision for Doubtful Advances	**126.77**	*126.77*
VRS Expenses not written off	**251.07**	*312.88*
Leave Encashment provision	**10.70**	*—*
Provision for Gratuity	**17.38**	*—*
Deferred Tax Asset/(Net)*	**1182.34**	*1373.66*

* The Net Deferred Tax Asset as at March 31, 2010 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".

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

B12. 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 Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009* Quantity*	*Sales value Rupees in lakhs*
(i) Cloth	**Mtrs.**	**1065066**	**663.84**	*1580964***	*1028.39*
(ii) Made-ups	**Sets**	**7326**	**25.79**	*2694*	*12.15*
(iii) Caustic Soda and Potassium Carbonate (Purchased)	**MT**	**93.861**	**16.16**	*2632*	*2085.63*
			705.79		*3126.17*

* Sales include goods given as free samples.

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

B. Goods traded in:

Class of goods	Unit	Quantity	Value Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009* Quantity	*Value Rupees in lakhs*
Purchases:					
Cloth	**Metres**	**1007115**	**621.53**	*1583705*	*988.66*
Caustics Soda and Potassium Carbonate (Purchased)	**MT**	**93.861**	**15.96**	*2632*	*2852.44*
Opening stocks:					
Cloth	**Metres**	**256776**	**188.47**	*254035*	*168.04*
Closing stocks:					
Cloth	**Metres**	**198825**	**157.13**	*256776*	*188.47*

C. Value and quantitative break-up in respect of opening and closing stocks of each class of goods produced:

Class of Goods	Unit	OPENING STOCKS Quantity	OPENING STOCKS Value Rupees in lakhs	CLOSING STOCKS Quantity	CLOSING STOCKS Value Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009* OPENING STOCKS Quantity	OPENING STOCKS Value Rupees in lakhs	CLOSING STOCKS Quantity	CLOSING STOCKS Value Rupees in lakhs
Garments	**Pieces**	—	—	—	—	*180*	*0.07*	*180*	—
			—		—		*0.07*		—

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

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

		Unit	Licensed Capacity	Installed Capacity	Actual production	*Previous period from 1.10.2007 to 31.3.2009* *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*	—	—
	+ As Certified by the Management							
(iii)	Caustic Soda, Caustic Potash, Chlorine, Hydrochloric Acid (Commercial) and Potassium Carbonate	**M.T.**	**191770**	**—**	**—**	*191770*	—	—

Notes:

1. Licensed capacity includes capacity for Hydrochloric Acid (100%).
2. 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.
3. 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.

		Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009* *Rupees in lakhs*
E.	Expenditure in foreign currency (on accrual basis) on account of:		
	(i) Travelling	**25.81**	*137.68*
	(ii) Referral/Consultancy Fees	**24.18**	*1071.00*
	(iii) Advertisement Expenses	**10.87**	—
	Total	**60.86**	*1208.68*

		Rupees in lakhs	**% to total Consumption**	*Previous period from 1.10.2007 to 31.3.2009* *Rupees in lakhs*	*% to total Consumption*
F.	Value of stores and spare parts consumed:				
	Imported	**—**	**—**	—	—
	Indigenous (Packing materials)	**9.09**	**100.00**	*26.19*	*100.00*
	Total	**9.09**	**100.00**	*26.19*	*100.00*

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009* Rupees in lakhs
G. Consumption of Stores and Spares during the year:		
Stores and Spares (Packing materials)	**9.09**	*26.19*

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:

Year to which dividend relates	*1.10.2007 to 31.3.2009*	*Previous period from 1.10.2007 to 31.3.2009*
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 – Rs. in lakhs	*125.00*	*125.00*

B13. Consequent to the Memorandum of Settlement (MOS) dated 18th October, 2006 entered into between the Company and its employees of the Chemical Plant situated at Navi Mumbai and the Scheme announced by the Company for employees at the Head Office, the Company agreed to pay amounts aggregating to Rs. 3673.00 lakhs to the said employees in the nature of Voluntary Retirement under the said MOS/Scheme over an agreed period, which were considered as 'Termination Benefits' in accordance with Accounting Standard 15 on 'Employee Benefits'. During the previous period, the Company, having regard to the change in its business focus decided to write-off the balance unamortized amount of such payments aggregating to Rs. 2295.63 lakhs as at 30th September, 2007 and similar payments made during the previous period Rs. 5.67 lakhs both aggregating to Rs. 2301.30 lakhs to the Profit and Loss Account.

B14. The Company has executed Deed of Assignment dated 24th April, 2008 with a party in respect of 30 acres of leasehold land on which its Chemical Plant was situated, within the larger property admeasuring 92.25 acres and has received Consideration of Rs. 23000.00 lakhs for the same during the previous period. Accordingly, the Company had accounted for profit on such assignment of Rs. 18999.72 lakhs net of related expenses in the said previous period.

B15. The Company and its wholly owned subsidiary, Stan Plaza Limited had entered into an Agreement for Sale dated 26th September, 2007 by which the Company had agreed to sell the Building known as "Stanrose Apartment" for a lumpsum consideration of Rs. 6852.00 lakhs. Subsequently, the Company and Stan Plaza Limited have decided to cancel the said Agreement vide Deed of Cancellation dated 25th February, 2008. Accordingly, an amount of Rs. 6775.14 lakhs, being gain (profit) accounted in earlier period, had been reversed during the previous period.

B16. The Company has received an amount aggregating to **Rs. 18.67 lakhs** *(Previous period 309.68 lakhs)* on account of sale of Transferable Development Rights (TDR) on 119.63 Sq. meters (Previous period 1540 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 11 – "Other Income".

B17. The Company has an investment in a wholly owned subsidiary, namely, Standard Salt Works Limited aggregating to **Rs. 60.78 lakhs** *(Previous period Rs. 60.78 lakhs)* and has also given advances to the said subsidiary aggregating to **Rs. 156.70 lakhs** *(Previous period Rs. 121.64 lakhs)*. As per the latest available balance sheet of the subsidiary, as at 31st March, 2010, 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 advances is considered necessary at this stage.

Schedule 15 — (Contd.)

B. NOTES ON ACCOUNTS:

B18. 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 written to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.

B19. Employees Retirement Benefits:

(a) The disclosures as required under the Accounting Standard 15 on " Employee Benefit" as per actuarial valuation on 31st March, 2010 regarding the Employees Retirement Benefits Plan for gratuity are as follows:

Particulars	**Rupees in lakhs**	*Previous period Rupees in lakhs*
Projected benefit obligation at the beginning of the period	**115.42**	*103.60*
Current Service cost	**4.58**	*10.43*
Interest cost	**7.92**	*13.45*
Actuarial loss	**34.71**	*3.58*
Benefits paid	**(13.73)**	*(15.64)*
Projected benefit obligation, end of the period.	**148.90**	*115.42*
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 period	**84.40**	*70.86*
Expected Return on Assets	**9.62**	*10.13*
Actuarial (Loss)/Gain	**(19.75)**	*2.12*
Benefits Paid	**(13.73)**	*(15.64)*
Contributions	**42.82**	*16.93*
Fair Value of Plan Assets at the end of the period	**103.36**	*84.40*
Gratuity Cost for the period		
Current Service Cost	**4.58**	*10.43*
Interest Cost	**7.92**	*13.45*
Expected Return on Assets	**(9.62)**	*(10.13)*
Net Actuarial Loss	**54.44**	*1.47*
Net Periodic Gratuity Cost	**57.32**	*15.22*

(b) Assumptions:

	Current year	*Previous period*
Discount Rate.....	**7.50%**	*7.00%*
Rate of increase in compensation levels of covered employees.....	**4.00%**	*4.00%*
Rate of Return on Plan Assets Current.....	**8.00%**	*8.00%*

B20. Figures of the current financial year in the Profit and Loss Account are for a period of twelve months whereas, the corresponding figures of the previous period are for a period of eighteen months and hence are not strictly comparable.

B21. The figures of previous period 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

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

RUSSI JAL TARAPOREVALA
V. C. VAIDYA
F. M. PARDIWALLA
DIVYA P. MAFATLAL
Directors

Mumbai, Dated: 26th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration No. 89 State Code 11
Balance Sheet Date 31-03-2010

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue Nil	Rights issue Nil
Bonus Issue Nil	Private Placement Nil

III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. thousands)

Total Liabilities 1818281	Total Assets 1818281

Sources of Funds:

Paid-up Capital 321645	Reserves and Surplus 1303047
Secured Loans Nil	Unsecured Loans Nil

Application of Funds:

Net Fixed Assets 354654	Investments 623762
Net Current Assets 646276	Miscellaneous Expenditure —

IV. Performance of the Company (Amount in Rs. thousands)

Turnover 70579	Total Expenditure 272864
Profit/(Loss) before tax 105890	Profit/(Loss) after tax 87325
Earning per share Rs. 1.36 (Refer Note No. B10 of Schedule 15)	Dividend Re. 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

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN A SUBSIDIARY

Name of the Company	Standard Salt Works Ltd.	Stan Plaza Limited	Mafatlal Enterprises Limited
Financial year of the subsidiary Company ended on	31st March, 2010	31st March, 2010	31st March, 2010
(a) No. of Equity Shares held by Standard Industries Limited and its nominees in the Subsidiary as at the end of the financial year of the subsidiary	47,000 Equity Shares of the face value of Rs. 100 each as under:	50,007 Equity Shares of the face value of Rs. 10/- each	50,007 Equity Shares of the face value of Rs. 10/- each
	223 Shares fully paid		
	46,777 Shares Rs. 30 per Shares paid-up		
	(Rupees in lakhs)	(Rupees in lakhs)	(Rupees in lakhs)
(b) Capital and Reserve of the Subsidiary as at the end of the financial year of the Subsidiary			
Capital	14.26	5.00	5.00
Reserves and Surplus	(45.04)	(2.62)	(1.52)
(c) Extent of interest of Standard Industries Limited in the Capital and Reservs of the Subsidiary at the end of the financial year of the subsidiary	100%	100%	100%
Net aggregate amount so far as it concerns the members of Standard Industries Limited and is not dealt with in the Company's Accounts of the subsidiary's profit after deducting its losses or losses after deducting its profits			
(a) Profits for the subsidiary's financial year ended 31st March, 2010	(15.52)	(0.14)	(0.14)
(b) Profits for the previous financial years of the subsidiary since it became the subsidiary of Standard Industries Limited's Accounts.	(49.18)	(2.62)	(1.52)
Net aggregate amount of the profits of the Subsidiary after deducting losses, or losses of the Subsidiary after deducting profits so far as those profits are not dealt with or provision is made for those losses in Standard Industries Limited's Accounts			
(a) For the subsidiary's financial year ended on 31st March, 2010	(15.52)	(0.14)	(0.14)
(b) For its previous financial years since it became the subsidiary of Standard Industries Limited	(49.18)	(2.62)	(1.52)
Not aggregate amount of the profits of the Subsidiary after deducting losses, or losses of the Subsidiary after deducting profits, so dealt with, or provision is made for those losses in Standard Industries Limited's Accounts.			
(a) For the subsidiary's financial year ended on 31st March, 2010	Nil	Nil	Nil
(b) For its previous financial years since it became the subsidiary of Standard Industries Limited	Nil	Nil	Nil

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

RUSSI JAL TARAPOREVALA
V. C. VAIDYA
F. M. PARDIWALLA
DIVYA P. MAFATLAL
Directors

BOARD OF DIRECTORS

SHRI V. RAMADURAI *(Chairman)*

SHRI K. J. PARDIWALLA

SHRI D. M. NADKARNI

BANKERS

CENTRAL BANK OF INDIA

BANK OF BARODA

AUDITORS

M/S. DELOITTE HASKINS & SELLS,
Chartered Accountants

REGISTERED OFFICE

912, ALISHAN AWAAS,
DIWALI BAUG,
ATHWA LINES,
NANPURA,
SURAT-395 001.

SALT WORKS

DANDI BHAGWA,
TALUKA OLPAD,
DISTRICT SURAT.

DIRECTORS' REPORT

To
The Members,
STANDARD SALT WORKS LIMITED

Your Directors hereby present the 30th Annual Report together with the Audited Statements of Accounts for the Financial Year from 1st April, 2009 to 31st March, 2010.

1. GENERAL

The operations of the Salt Works in April, May and June, 2009 were good. Due to delayed monsoon, all the salt manufactures benefitted as they could increase their production. The company produced 38,756 MT of salt till the end of June, 2009.

The total production during the financial year was 43,370 MT and the total sales during this period was 32,947 MT.

Salt is the major raw material required for the production of Caustic Soda. With the substantial imports of Caustic Soda, the demand for local Caustic Soda was reduced considerably resulting in lower demand of Salt. As a result, most of the salt manufacturers have accumulated huge stocks of salt which has resulted in reduction of salt prices.

There is scarcity of labourers for salt production. Attempts are made for semi-mechanised production of salt. With this in view, Brine Circuit is redesigned and additional 500 acres of area is developed for revised Brine Circuits and new Crystallizers of bigger size. Due to this modification, salt production in certain sections got delayed. The experiment of re-designing the Circuits for semi-mechanized production has resulted in improved yield and quality of salt. All efforts are made to increase and improve production of quality salt.

2. FINANCIAL RESULTS

The value of salt sold during the financial year under review amounted to Rs.175.06 lakhs. The value of salt sold in the previous accounting period cannot be compared as that comprised an 18 months period. There is a loss of Rs.15.52 lakhs in this financial year.

3. DESPATCHES

The total sale of salt from 1st April , 2009 to 31st March, 2010, was 32,947 MT. Substantial quantity was sold to Power Sub-station and Caustic Soda industry.

4. IMPROVEMENTS

With new modified Circuits and bigger size Crystallizers where brine is fed in series, the Company hopes to reduce Calcium (Ca) and Magnesium (Mg) in the finished product, further, so that after washing of salt manually it can be supplied to Caustic Soda industry.

5. 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.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the Report.

7. 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:

(i) That in the preparation of the Final Accounts for the Financial Year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 31st March, 2010, and of the profit or loss of the Company for the said period under review;

(iii) 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;

(iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2010, on a 'going concern' basis.

8. SECRETARIAL AUDIT

Your Directors wish to state that pursuant to Section 383A of the Companies Act, 1956, the Company complied with all the provisions of the Act and a certificate to that effect has been obtained from a Company Secretary in whole time practice.

9. DIRECTORATE

Shri D. M. Nadkarni is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956, but being eligible offers himself for re-appointment.

10. AUDITORS

At the ensuing Annual General Meeting, Members will be requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board

V. RAMADURAI
Chairman

Mumbai
Dated: 25th May, 2010.

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY

Efforts were concentrated on taking maximum tidal water to produce salt in order to save pumping cost and maximum care was also taken to see that the pumps are operated at optimum efficiency for saving energy. Since the main source of energy for salt production from the sea water is solar energy, there is very little possibility of improving the available solar energy.

B. TECHNOLOGY ABSORPTION

Research and Development

Nil

Technology absorption, adaptation and innovation:

Not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

There has been no export of salt during the Financial Year under review.

2. Total Foreign Exchange used and earned:

		Rupees
(i)	Total Foreign Exchange used	Nil
(ii)	Total Foreign Exchange earned	Nil

For and on behalf of the Board

V. RAMADURAI
Chairman

Mumbai
Dated: 25th May, 2010.

COMPLIANCE CERTIFICATE

CIN OF THE COMPANY : U24110GJ1979PLC003315
Nominal capital : Rs. 50 Lakhs

To,
The Members,
Standard Salt Works Limited.

I have examined the registers, records, books and papers of Standard Salt Works Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examination carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial Period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a public limited Company.
4. The Board of Directors duly met four times respectively on 10th June, 2009, 28th September, 2009, 30th December, 2009 and 29th March, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial period.
6. The Annual General meeting for the financial year ended on 31st March, 2009 was held on 21st, August, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial period.
13. During the financial period ending 31st March, 2010
    (i) There was no allotment/Transfer/transmission of securities during the financial period.
    (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial period.
    (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial period.
    (iv) The Company was not required to transfer any amounts as there was no unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
    (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial period.
16. The Company has not appointed any sole selling agents during the financial period.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial period.
20. The Company has not bought back any shares during the financial period ending 31st March, 2010.
21. There was no redemption of preference shares or debentures during the financial period.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial period.
24. The Company has not borrowed any sum of money from Director, Members, Public, financial institutions, banks and others during the financial period ending 31st March, 2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the period under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the period under scrutiny.
30. The Company has not altered its Articles of Association during the financial period under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial period, for offences under the Act.
32. The Company has not received any money as security from its employees during the period.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

RATAN KAPADIA
Company Secretary
FCS No. 1395, CP No. 957

Place : Mumbai
Date : 25th May, 2010.

Annexure A

Registers as maintained by the Company
Statutory Registers

1. Register of Members & Index under Section 150 & 151.
2. Register of Transfers.
3. Register of Contracts under Section 301.
4. Register of Directors under Section 303.
5. Register of Directors' Shareholding under Section 307.
6. Register of Charges under Section 143.
7. Minutes of Board Meetings and General Meetings under Section 193.
8. Annual Returns under Section 163.
9. Books of Accounts
10. Fixed Assets Registers.

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2010.

Sr. No.	e-Form No.	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No.	If delay in filing whether requisite additional fee paid Yes/No.
1.	66	383A (1)	Compliance Certificate for the Financial period ended 31.03.2009	28.08.09	Yes	N.A.
2.	23AC & 23ACA	220	Balance Sheet for the Financial period ended 31.03.2009	10.09.09	Yes	N.A.
3.	20B	159	Annual Return as at the date of AGM held on 21.08.09	15.10.09	Yes	N.A.

AUDITORS' REPORT

TO
THE MEMBERS OF STANDARD SALT WORKS LIMITED.

1. We have audited the attached Balance Sheet of Standard Saltworks Limited ("the Company") as at 31st March, 2010, 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) Without qualifying our opinion, we draw attention to note no. B8 of Schedule 16 regarding being prepared of accounts on a going concern basis.

   (f) 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, 2010;

      (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.

   (g) On the basis of written representations received from the directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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: 25th May, 2010.

ANNEXURE TO THE AUDITORS' REPORT

Re: STANDARD SALT WORKS 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) In respect of its fixed assets:

(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 Company has not disposed off substantial part of the fixed assets during the year.

(iii) In respect of its fixed inventories:

(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 clause (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 Rs.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) The Company has not accepted any deposits from the public.

(viii) Since the Company is not a listed company, and does not have paid up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year or average annual turnover exceeding 5 crores for a period of three consecutive financial years immediately preceding the financial year, the clause relating to internal audit system is not applicable.

(ix) The maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

(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, Sales Tax, Wealth Tax, Service 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 Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no other cases of non-deposit with appropriate authorities of disputed dues in respect of Income tax, Excise duty, Custom duty, Sales tax, Wealth tax, Service tax and Cess. However following dues are still pending:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount is related	Forum where the dispute is pending
Notification as per Land Revenue Laws	Amount claimed by Taluka Development Officer towards Local Cess and Education Cess	36,17,260	1995 to 2008	Gujarat High Court
Income Tax Act	Disputed Demands of Income Tax	6,30,509	Various years	Pending with Assessing officers

(xi) *The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial and not in the immediately preceding financial period.*

(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, prima facie, not been used during the year for long-term investment, *except for short term funds aggregating to Rs. 85,70,974 utilised for long term purposes.*

(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: 25th May, 2010.

BALANCE SHEET
AS AT 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	*As at 31.03.2009 Rupees*
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital	1	**14,25,610**		*14,25,610*
(b) Reserves and Surplus	2	**4,13,560**		*4,13,560*
			18,39,170	*18,39,170*
Total....			**18,39,170**	*18,39,170*
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS	3			
(a) Gross Block		**1,76,25,169**		*1,51,23,150*
(b) Less: Depreciation		**1,21,86,909**		*1,16,00,345*
(c) Net Block			**54,38,260**	*35,22,805*
2. INVESTMENTS	4		**54,000**	*54,000*
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	5	**51,97,107**		*29,18,729*
(b) Sundry Debtors	6	**6,35,369**		*12,53,145*
(c) Cash and Bank Balances	7	**7,54,948**		*10,25,829*
(d) Other Current Assets	8	**54,810**		*54,810*
(e) Loans and Advances	9	**31,81,406**		*37,45,102*
		98,23,640		*89,97,615*
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Current Liabilities	10	**1,76,46,476**		*1,31,97,478*
(b) Provisions	11	**7,48,138**		*9,03,472*
		1,83,94,614		*1,41,00,950*
NET CURRENT (LIABILITIES)			**(85,70,974)**	*(51,03,335)*
4. PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)			**49,17,884**	*33,65,700*
Total....			**18,39,170**	*18,39,170*
Significant Accounting Policies and Notes on Accounts	16			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI *Chairman*

K. J. PARDIWALLA
D. M. NADKARNI
Directors

Mumbai, Dated: 25th May, 2010.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR FROM 1ST APRIL, 2009 TO 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	*Previous period 01-10-2007 to 31-03-2009 Rupees*
INCOME:				
Sales			**1,75,05,868**	*1,63,03,385*
Other Income	**12**		**92,584**	*13,49,808*
Increase in Stocks of Finished Goods and Process stock	**13**		**22,78,378**	*21,75,270*
			1,98,76,830	*1,98,28,463*
EXPENDITURE:				
Operating and Other Expenses	**14**		**2,08,42,450**	*1,71,94,476*
Depreciation	**3**		**5,86,564**	*6,54,982*
Interest	**15**		**—**	*60,190*
			2,14,29,014	*1,79,09,648*
(Loss)/Profit before taxes			**(15,52,184)**	*19,18,815*
Provision for Taxation				
Current Tax			**—**	*(1,50,000)*
Fringe Benefits Tax			**—**	*(53,000)*
(Loss)/Profit after Tax			**(15,52,184)**	*17,15,815*
Balance brought forward from previous period			**(33,65,700)**	*(50,81,515)*
(Deficit) carried to Balance Sheet			**(49,17,884)**	*(33,65,700)*
Earnings per Share (Basic/Diluted) (Rs.) (Refer Note No. B1 of Schedule 16)			**(108.88)**	*120.36*
Significant Accounting Policies and Notes on Accounts	**16**			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI *Chairman*

K. J. PARDIWALLA
D. M. NADKARNI } *Directors*

Mumbai, Dated: 25th May, 2010.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2010

			Previous period 01-10-2007 to 31-03-2009	
	Rupees	**Rupees**	*Rupees*	*Rupees*
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET (LOSS)/PROFIT BEFORE TAX		**(15,52,184)**		*19,18,815*
Adjustments for:				
Depreciation	**5,86,564**		*6,54,982*	
Excess Provision for Doubtful advances written back	**—**		*(4,32,337)*	
Excess Provision for earlier period written back	**—**		*(8,62,277)*	
Loss on Sale of Fixed Assets	**—**		*1,83,012*	
Interest Expenses	**—**		*60,190*	
		5,86,564		*(3,96,430)*
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES		**(9,65,620)**		*15,22,385*
Decrease/(Increase) in Trade and Other receivables	**14,80,859**		*(29,99,289)*	
(Increase) in Inventories	**(22,78,377)**		*(21,75,270)*	
Increase in Trade and Other Payables	**44,67,741**		*53,07,968*	
		36,70,223		*1,33,409*
		27,04,604		*16,55,794*
Direct Taxes Paid		**(4,73,465)**		*(39,791)*
NET CASH FROM OPERATING ACTIVITIES (A)		**22,31,139**		*16,16,003*
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	**(25,02,019)**		*(5,51,278)*	
Sale of Fixed Assets	**—**		*1,92,954*	
NET CASH USED IN INVESTING ACTIVITIES (B)		**(25,02,019)**		*(3,58,324)*
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of Long term borrowings	**—**		*(3,56,331)*	
Interest paid	**—**		*(60,190)*	
NET CASH USED IN FINANCING ACTIVITIES (C)		**—**		*(4,16,521)*
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(2,70,881)**		*8,41,158*
CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)		**10,25,829**		*1,84,671*
CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)		**7,54,948**		*10,25,829*

Notes:

1. Components of cash and cash equivalents include cash and bank balances in current Accounts (Refer Schedule – 7 forming part of the Balance sheet and the Profit and Loss Account).
2. 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.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI *Chairman*

K. J. PARDIWALLA
D. M. NADKARNI
Directors

Mumbai, Dated: 25th May, 2010.

SCHEDULES 1 TO 16

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE — 1

SHARE CAPITAL:

		Rupees	As at 31.03.2009 Rupees
Authorised:			
50,000	Equity Shares of Rs. 100/- each.....	**50,00,000**	*50,00,000*
Issued and Subscribed:			
47,000	Equity Shares of Rs. 100/- each.....	**47,00,000**	*47,00,000*
Paid-up:			
223	Equity Shares of Rs. 100/- each fully paid-up	**22,300**	*22,300*
46,777	Equity Shares of Rs. 100/- each. Rs. 30/- per share paid-up.	**14,03,310**	*14,03,310*
	Total	**14,25,610**	*14,25,610*

Note: Of the above Shares:

(i) 47,000 Shares are held by Standard Industries Limited, the Holding Company and its nominees.

(ii) 193 Shares are allotted as fully paid-up and 11,075 Shares are allotted at Rs.15/- per share paid-up pursuant to a contract without payment being received in cash.

SCHEDULE — 2

RESERVES AND SURPLUS:

CAPITAL RESERVE

Cash Subsidy received		
Balance as per last Balance Sheet.....	**4,13,560**	*4,13,560*
Total	**4,13,560**	*4,13,560*

SCHEDULE — 3
FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 1.04.2009 Rupees	Additions during the year Rupees	Deductions during the year Rupees	**Total as on 31.03.2010 Rupees**	Total upto 31.03.2009 Rupees	For the year Rupees	Deductions Rupees	**Total upto 31.03.2010 Rupees**	**Net Value as on 31.03.2010 Rupees**	Net Value as on 31.03.2009 Rupees
Freehold Land	*1,40,000*	—	—	**1,40,000**	—	—	—	—	**1,40,000**	1,40,000
Buildings	*21,64,842*	—	—	**21,64,842**	*9,32,185*	51,723	—	**9,83,908**	**11,80,934**	12,32,657
Plant and Machinery	*41,90,547*	16,39,675	—	**58,30,222**	*20,73,500*	2,61,628	—	**23,35,128**	**34,95,094**	21,17,047
Salt Works — Reservoirs, Condensors, Salt Pans, etc.	*84,30,811*	1,87,739	—	**86,18,550**	*84,30,811*	1,87,739	—	**86,18,550**	—	—
Furniture, Fixtures and Dead Stock	*40,024*	14,605	—	**54,629**	*30,592*	1,328	—	**31,920**	**22,709**	9,432
Motor Cars and Vehicles	*1,56,926*	6,60,000	—	**8,16,926**	*1,33,257*	84,146	—	**2,17,403**	**5,99,523**	23,669
Total	*1,51,23,150*	25,02,019	—	**1,76,25,169**	*1,16,00,345*	5,86,564	—	**1,21,86,909**	**54,38,260**	35,22,805
Previous period	*1,55,39,663*	*5,51,278*	*9,67,791*	*1,51,23,150*	*1,15,37,188*	*6,54,982*	*5,91,825*	*1,16,00,345*	*35,22,805*	

Note: The above schedule does not include leasehold land on short-term lease, on which the Company incurs annual rent.

	Rupees	*As at 31.03.2009 Rupees*
SCHEDULE — 4		
INVESTMENTS (LONG TERM) (Non Trade):		
In Government Securities (Unquoted)		
6 year National Savings Certificates VIII issue of the face value of Rs. 54,000/- deposited with Government Authorities (since matured)	**54,000**	*54,000*
Total.....	**54,000**	*54,000*

SCHEDULE — 5		
INVENTORIES:		
Process Stock.....	**22,05,610**	*15,60,235*
Finished Goods	**29,91,497**	*13,58,494*
Total.....	**51,97,107**	*29,18,729*

	Rupees	As at 31.03.2009 Rupees
SCHEDULE — 6		
SUNDRY DEBTORS:		
(Unsecured and considered good)		
1. Debts outstanding for a period exceeding six months	**10,337**	—
2. Other Debts	**6,25,032**	*12,53,145*
Total.....	**6,35,369**	*12,53,145*
SCHEDULE — 7		
CASH AND BANK BALANCES:		
1. Cash on hand	**637**	*56,921*
2. Bank Balances:		
With Scheduled Banks:		
In Current Accounts	**7,54,311**	*9,68,908*
Total.....	**7,54,948**	*10,25,829*
SCHEDULE — 8		
OTHER CURRENT ASSETS:		
Interest accrued and due on Investments	**54,810**	*54,810*
Total.....	**54,810**	*54,810*
SCHEDULE — 9		
LOANS AND ADVANCES:		
(Unsecured and considered good)		
1. Advances recoverable in cash or in kind or for value to be received	**16,15,218**	*24,78,301*
2. Advance payment of Income-tax and tax deducted at source (net)	**15,66,188**	*12,66,801*
Total.....	**31,81,406**	*37,45,102*
Note: Considered Good	**31,81,406**	*37,45,102*
Considered Doubtful	**—**	—
	31,81,406	*37,45,102*

	Rupees	Rupees	As at 31.03.2009 Rupees
SCHEDULE — 10			
CURRENT LIABILITIES:			
1. Sundry Creditors:			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises (Also refer note B10 of Schedule 16).....	**—**		—
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**15,19,987**		*6,62,000*
		15,19,987	*6,62,000*
2. Advances from Customers.....		**1,57,82,804**	*1,22,14,247*
3. Other Liabilities.....		**3,43,685**	*3,21,231*
Total.....		**1,76,46,476**	*1,31,97,478*
SCHEDULE — 11			
PROVISIONS:			
Provision for Income Tax (net)		**20,065**	*1,94,142*
Provision for Gratuity.....		**7,28,073**	*7,09,330*
Total.....		**7,48,138**	*9,03,472*

	Rupees	Rupees	Previous period 01-10-2007 to 31-03-2009 Rupees
SCHEDULE — 12			
OTHER INCOME:			
Excess Provision for Doubtful Advances written back		**—**	*4,32,337*
Excess Provision for earlier period written back.....		**—**	*8,62,277*
Miscellaneous income.....		**92,584**	*55,194*
Total.....		**92,584**	*13,49,808*
SCHEDULE — 13			
INCREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK:			
Stocks on 31st March, 2010			
Finished Goods	**29,91,497**		*13,58,494*
Process Stock.....	**22,05,610**		*15,60,235*
		51,97,107	*29,18,729*
Less: Stocks on 1st April, 2009			
Finished goods.....	**13,58,494**		*7,43,459*
Process Stock.....	**15,60,235**		—
		29,18,729	*7,43,459*
INCREASE.....		**22,78,378**	*21,75,270*

	Rupees	Rupees	*Previous period 01-10-2007 to 31-03-2009 Rupees*
SCHEDULE — 14			
OPERATING AND OTHER EXPENSES:			
1. Salaries, Wages, and Bonus	**11,44,119**		*14,84,210*
2. Labour charges	**28,78,852**		*18,27,922*
3. Contribution to Provident Fund	**98,314**		*1,47,692*
4. Workmen and Staff Welfare Expenses	**2,74,661**		*1,08,065*
		43,95,946	*35,67,889*
5. Stores and Tools consumed		**8,969**	*76,347*
6. Power and Fuel		**29,01,276**	*34,88,212*
7. Rent		**3,25,000**	*3,31,501*
8. Repairs:			
To Buildings	**5,56,723**		*3,04,313*
To Machinery	**2,02,322**		*7,68,896*
To Salt Works	**71,26,528**		*39,04,716*
		78,85,573	*49,77,925*
9. Insurance		**24,245**	*48,116*
10. Rates and Taxes		**95,009**	*29,900*
11. Royalty and Cess		**14,92,490**	*6,19,156*
12. Transport and Freight charges		**6,79,140**	*3,23,740*
13. Excavation Charges		**3,38,925**	*15,41,385*
14. Legal and Professional charges		**1,55,620**	*1,89,064*
15. Travelling and Conveyance		**2,74,559**	*3,16,962*
16. Directors' Sitting Fees		**1,750**	*3,500*
17. Donations		**20,700**	*62,500*
18. Salt - Internal shifting expenses		**12,65,942**	*4,08,393*
19. Doubtful Advances written off		**—**	*2,57,337*
20. Loss on sale of Fixed Assets (Net)		**—**	*1,83,012*
21. Miscellaneous Expenses		**9,77,306**	*7,69,537*
Total.....		**2,08,42,450**	*1,71,94,476*

Note: Miscellaneous expenses include Salt Washing expenses, Loading Unloading expenses etc.

SCHEDULE — 15			
INTEREST:			
On Cash Credit Account with Bank		**—**	*60,190*
Total.....		**—**	*60,190*

SCHEDULE — 16

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 recognised in the period in which the results are known/materialise.

A3. **Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

A4. **Investments:**

Current Investments are carried at lower of cost or fair value. Long Term Investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

A5. **Inventories:**

Finished Goods and process stock are valued at cost or net realisable value whichever is lower. The cost is ascertained on the basis of absorption costing method.

A6. **Provisions and contingencies:**

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

A7. **Revenue Recognition:**

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

A8. **Employee Benefits:**

Provision for gratuity is made in the accounts considering the Balance Sheet date as the notional date of retirement. Contribution as required under statute is made to Government Provident Fund.

A9. **Stores and Tools consumption:**

Stores and Tools are acquired as and when required and treated as consumed in the year of acquisition.

A10. **Depreciation:**

Depreciation for the period has been provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act,1956.

A11. **Government Grants:**

Grants related to Specific Fixed Assets are shown as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Profit and Loss Account. Grants in the nature of Promoter's Contribution are treated as Capital Reserve.

A12. **Borrowing Costs:**

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

A13. **Taxes on Income:**

Tax expenses comprises of current tax, deferred tax and fringe benefits 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 period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/periods. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognised in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

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.

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees	From April '09 to March '10 Rupees	Previous Period From October '07 to March '09 Rupees
		As at 31.3.2010	*As at 31.03.2009*
B1. Earnings per Share:			
Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:			
(Loss)/Profit after tax (Rs.)		**(15,52,184)**	*17,15,815*
Weighted average number of equity shares outstanding during the year/period		**14,256**	*14,256*
Earnings per share (Basic/Diluted) (Rs.)		**(108.88)**	*120.36*
Nominal value per share (Rs.)		**100**	*100*
B2. Components of deferred tax assets and (Liabilities) are as under:			
Differences in the tax and books written down value of Fixed Assets		**(2,40,390)**	*(3,02,409)*
Provision for Gratuity		**—**	*10,168*
Disallowances U/s. 43B of the Income-tax Act, 1961		**73,308**	*2,06,963*
Provision for Doubtful Debts		**—**	*59,483*
Carried forward Business loss and Depreciation		**11,44,000**	*13,20,483*
Deferred Tax Assets/(Liability) (Net)		**9,76,918***	*12,94,688**
* The Net Deferred Tax Asset as at March 31, 2010 has not been recognised in view of the requirements of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income"			
B3. Payments to Auditors:			
(a) As Auditors		**25,000**	*30,000*
(b) For Tax Audit		**—**	*20,000*
(c) As Advisor or in any other capacity in respect of:			
(i) Taxation matters	**60,000**		*50,000*
(ii) Company Law matters	**—**		*—*
		60,000	*50,000*
(d) In any other manner (Certification work)		**—**	*10,000*
(e) As Reimbursement of expenses		**—**	*666*
(f) For Service tax		**9,270**	*12,648*
		94,270	*1,23,314*

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

	As at 31.3.2010 Rupees	*As at 31.3.2009 Rupees*
B4. Contingent Liabilities in respect of:		
(I) Claims against the Company not acknowledged as debts:	**41,17,260**	*52,30,860*
Amount claimed by Taluka Development Officer towards Local Cess and Education Cess. The Company has contested this claim and is confident of success in the matter.		
(II) Disputed demands of income tax	**6,30,509**	*6,30,509*
These represent demands raised by Income Tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested.		

B5. Related Party disclosure:

A. Name of the related party — Relationship

Standard Industries Limited — Holding Company

B. Details of transactions with related parties:

Nature of transactions	Holding Company
Advance received during the year (net)	35,05,331
	(50,59,072)
Advances payable as at 31.03.2010.....	1,56,69,624
	(1,21,64,293)

Note: Figures shown in bracket pertain to previous period.

B6. Segment Information:

The Company has only one business segment of production and sale of common salt, hence segment information is not required to be disclosed.

B7. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 (To the extent applicable):

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

		From April '09 to March '10		*Previous Period From October '07 to March '09*	
Class of Goods	**Unit**	**Quantity**	**Sales Value Rupees**	*Quantity*	*Sales Value Rupees*
Salt (Including Gypsum Salt)	**M.T.**	**35,490**	**1,75,05,867**	*36,842*	*1,63,03,385*

B. Consumption of Raw materials with value and quantitative break-up — Not applicable as Salt is manufactured by Solar Evaporation of Sea Water.

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

C. Value and Quantitative break-up in respect of opening and closing stocks of goods produced:

Class of Goods	Unit	From April '09 to March '10 Quantity	From April '09 to March '10 Value Rupees	Previous Period From October '07 to March '09 Quantity	Previous Period From October '07 to March '09 Value Rupees
Salt:					
Opening Stock	M.T.	3,542	13,58,494	2,175	7,43,459
Closing Stock	M.T.	7,142*	29,91,497	3,542*	13,58,494

*Excluding loss of **6,823 M.T.** *(Previous period 4,094 M.T.)* due to washage, etc.

D. Capacity and Production:

Class of Goods	Unit	From April '09 to March '10	From April '09 to March '10 Quantity	Previous Period From October '07 to March '09	Previous Period From October '07 to March '09 Quantity
Salt:					
(i) Licenced capacity		Not applicable		Not applicable	
(ii) Installed Capacity		Not applicable		Not applicable	
(iii) Actual Production (Including Gypsum Salt)	M.T.		45,913		42,303

E. Value of Stores and Tools:

	Value Rupees	% to total consumption	Value Rupees	% to total consumption
Imported	Nil	Nil	Nil	Nil
Indigenous	8,969	100	76,347	100
	8,969	100	76,347	100

F. Consumption of Stores & Spares during the year

From April '09 to March '10 Rupees	Previous Period From October '07 to March '09 Rupees
8,969	76,347

B8. The accumulated loss of Rs. 49,17,884/- has entirely eroded the Shareholders' Funds. However, the accounts of the Company have been prepared on a going concern basis in view of the continued availability of finance/financial support from the Holding Company and expected improvement in the economic conditions/scenario.

B9. Figures of Current Financial year in the Profit and Loss Account are for a period of twelve months whereas, the corresponding figures of the previous period are for a period of eighteen months and hence are not strictly comparable.

B10. 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.

B11. Figures of the previous period have been regrouped wherever necessary to correspond with those of the current period.

Signature to Schedules 1 to 16

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 25th May, 2010.

For STANDARD SALT WORKS LIMITED

V. RAMADURAI *Chairman*

K. J. PARDIWALLA
D. M. NADKARNI } *Directors*

BOARD OF DIRECTORS

SHRI K. J. PARDIWALLA *(Chairman)*

SHRI D. H. PAREKH

SMT. TANAZ B. PANTHAKI

BANKERS

THE HONGKONG AND SHANGHAI BANKING CORPN. LIMITED

AUDITORS

M/s. S. U. KAPASI & CO.
Chartered Accountants

REGISTERED OFFICE

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

DIRECTORS' REPORT

To
The Members,
STAN PLAZA LIMITED

Your Directors submit their 13th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2010.

During the period under review, the Company has incurred a loss of Rs.13,835/-

PARTICULARS OF EMPLOYEES

The Company has no employee and therefore, no information is required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975.

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

The Company is not engaged in manufacturing activities during the period under review. 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 period under review.

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:

(i) That in the preparation of the Final Accounts for the Financial Year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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, and of the profit or loss of the Company for the said period under review;

(iii) 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;

(iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2010, on a `going concern' basis.

DIRECTORATE

Smt. Tanaz B. Panthaki is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956, but being eligible offers herself for re-appointment.

AUDITORS

At the ensuing Annual General Meeting, members will be requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board
K. J. PARDIWALLA
Chairman

Mumbai,
Dated : 25th May, 2010.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Stan Plaza Limited, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date, 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.

We conducted our audit in accordance with 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.

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.

Further to our comments in the Annexure referred to above, we report that:

(i) 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;

(ii) 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;

(iii) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of the written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March,2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes thereon, 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:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and

   (b) in the case of the Profit and Loss account, of the loss for the year ended on that date.

For S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. Kapasi)
Proprietor
Membership No: 30639

Mumbai
Dated: 25th May, 2010

ANNEXURE

Re: Stan Plaza Limited

(referred to in paragraph 1 of our report of even date)

1. The nature of the Company's activities during the year under report have been such that the requirements of clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable.

2. The Company did not have any fixed assets and hence clause (i) of paragraph 4 of the Order is not applicable to the Company, for the year.

3. The Company does not have an inventory, hence clause (ii a), (ii b) and (ii c) of paragraph 4 of the Order are not applicable.

4. The Company has not granted or taken any loans to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii.b), (iii.c) (iii.d) (iii e) (iii f) and (iii g) of paragraph 4 of the Order are not applicable.

5. The Company does not have an inventory/fixed assets and does not sell goods or rendered services hence clause (iv) of paragraph 4 of the Order is not applicable to the Company, for the year.

6. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 and hence the question of commenting on reasonableness of prices does not arise.

7. The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, and the Rules framed thereunder.

8. Since the Company is not a listed Company and does not have paid up capital and reserves exceeding Rs. 50 Lacs as at the commencement of the financial year or an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year, the clause relating to internal audit system is-not applicable.

9. The maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.

10. (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess and any other material statutory dues, where applicable:with the appropriate authorities. There are no arrears of aforesaid statutory dues as at the last day of the financial year and outstanding for the period of six months from the date they became payable.

    (b) There are no cases of non-deposit with appropriate authorities of disputed dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.

11. The Company has accumulated losses at the end of the financial year however, it does not exceed fifty percent of its net worth. The Company has incurred cash losses in the financial year under report and in the immediately preceding financial period.

12. The Company has not borrowed money from banks/ financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise.

13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and securities.

14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.

15. The Company has not obtained any term loan during the financial year.

16. The Company has not raised any funds on short term or long term basis.

17. 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.

18. No debentures have been issued by the Company and hence the question of creating security in respect thereof does not arise.

19. The Company has not raised money by way of public issues during the year.

20. 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 S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. Kapasi)
Proprietor
Membership No. 30639

Mumbai
Dated : 25th May, 2010

BALANCE SHEET
AS AT 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	*As at 31.3.2009 Rupees*
I. SOURCES OF FUNDS:				
1. SHARE CAPITAL				
Authorised:				
10,00,000 Equity Shares of Rs. 10 each.....		**1,00,00,000**		*1,00,00,000*
Issued, Subscribed and Paid up:				
50,007 Equity Shares of Rs. 10 each.....		**5,00,070**		*5,00,070*
			5,00,070	*5,00,070*
(The above Equity Shares are held by the holding Company: Standard Industries Limited and its nominees)				
			5,00,070	*5,00,070*
II. APPLICATION OF FUNDS:				
1. CURRENT ASSETS, LOANS AND ADVANCES				
Cash and Bank Balances	**1**	**3,93,909**		*4,08,728*
		3,93,909		*4,08,728*
Less: CURRENT LIABILITIES AND PROVISIONS:	**2**			
(a) Liabilities.....		**26,075**		*27,060*
(b) Provisions.....		**1,30,000**		*1,30,000*
		1,56,075		*1,57,060*
NET CURRENT ASSETS.....			**2,37,834**	*2,51,668*
2. PROFIT AND LOSS ACCOUNT.....			**2,62,237**	*2,48,402*
			5,00,070	*5,00,070*
Significant Accounting Policies and Notes on Accounts	**4**			

As per our attached Report of even date

K. J. PARDIWALLA *Chairman*

For S. U. KAPASI & CO.
Chartered Accountants

D. H. PAREKH *Director*

(S. U. KAPASI)
Proprietor

Mumbai, Dated: 25th May, 2010

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Rupees	*Previous Period 1-10-2007 to 31-03-2009 Rupees*
INCOME:			
Provision for Depreciation written back		**—**	1,52,579
EXPENDITURE:			
Operation and Other Expenses	**3**	**13,835**	*17,757*
		13,835	*17,757*
Profit/(Loss) Before Tax		**(13,835)**	*1,34,822*
Provision for Tax		**—**	*15,000*
Profit/(Loss) After Tax		**(13,835)**	*1,19,822*
Balance brought forward from previous period		**(2,48,402)**	*(3,68,224)*
Deficit carried to Balance Sheet		**(2,62,237)**	*(2,48,402)*
Earnings per Share – Basic/Diluted (Refer Note No. B1 of Schedule 4)		**(0.28)**	*2.70*

As per our attached Report of even date

For S. U. KAPASI & CO.
Chartered Accountants

(S. U. KAPASI)
Proprietor

Mumbai, Dated: 25th May, 2010

K. J. PARDIWALLA *Chairman*

D. H. PAREKH *Director*

SCHEDULES 1 TO 4

FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

		Rupees	*As at 31.03.2009 Rupees*
Schedule — 1			
CASH AND BANK BALANCES:			
1. Cash on hand		—	—
2. Bank Balances:			
With Scheduled Bank in Current Accounts		**3,93,909**	*4,08,728*
Total:		**3,93,909**	*4,08,728*
Schedule — 2			
CURRENT LIABILITIES AND PROVISIONS:			
(A) Liabilities:			
Sundry Creditors			
(i) Total outstanding dues to Small Scale Industrial Undertakings		—	—
(ii) Total outstanding dues to Creditors other than Small Scale Industrial Undertakings		**26,075**	*27,060*
Sub-total (A)		**26,075**	*27,060*
(B) Provisions:			
For I. Tax – A. Y. 2001-2002		**1,15,000**	*1,15,000*
For I. Tax – A. Y. 2009-2010		**15,000**	*15,000*
Sub-total (B)		**1,30,000**	*1,30,000*
Total:		**1,56,075**	*1,57,060*
	Rupees	**Rupees**	*Rupees*
Schedule — 3			
OPERATION AND OTHER EXPENSES:			
Registration and Filing Fees		**1,000**	*1,000*
Payments to Auditors		**11,030**	*15,000*
Professional & General Charges			
(i) Professional Charges		**1,805**	*1,500*
Bank Charges		—	*257*
Total:		**13,835**	*17,757*

Schedule — 4

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Fixed Assets:

Fixed Assets are stated at Cost of acquisition less accumulated depreciation.

2. Depreciation:

Depreciation on Fixed Assets is provided on the Straight line basis under Section 205(2)(b)of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

3. Contingent Liabilities:

These, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts for those contingencies which are likely to materialise into liabilities after the year end, till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

4. Taxes on Income:

Tax expense comprise both current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income tax payable/ recoverable in respect of taxable income/ loss for the reporting year. Deffered tax represents the effect of timing difference between taxable income and accounting income for the reporting year that originate in one period and are capable of reversal in one or more subsequent periods.

B. NOTES ON ACCOUNTS:

B1. Earnings per share is calculated by dividing the loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

	Rupees	*Previous Period Rupees*
Profit/(Loss) for the year (Rs.)	**(13,835)**	*1,34,822*
Weighted average number of equity shares outstanding during the period/year	**50,007**	*50,007*
Earnings per share (Basic/Diluted)(Rs.)	**(0.28)**	*2.70*
Nominal value per share – Rs.	**10**	*10*
B2. **Payments to Auditors:**		
(a) As Audit fees	**5,000**	*10,000*
(b) As fees for Taxation matters	**5,000**	*5,000*
(c) As Service Tax on fees	**1,030**	—
	11,030	*15,000*

B3. **Related Party disclosure:**

(A) Name of the related party	Relationship
Standard Industries Limited	Holding Company

(B) Details of transactions with related parties:

Nature of transactions	**Holding Company**
Advance received during the year (net)	1,000
	(9,99,000)
Advances payable as at 31.03.2010	20,560
	(19,560)

Note: Figures shown in bracket pertain to previous period.

B4. Figures of Current Financial year are for a period of twelve months whereas figures of the previous period are for eighteen months and hence not comparable.

B5. Figures of the previous period have been regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 4

As per our attached Report of even date

For S. U. KAPASI & CO.
Chartered Accountants

(S. U. KAPASI)
Proprietor

Mumbai, Dated: 25th May, 2010

K. J. PARDIWALLA *Chairman*

D. H. PAREKH *Director*

BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL *(Chairman)*

SHRI SURENDRA B. SHAH

SHRI MAHESH K. SHAH

BANKERS

THE HONGKONG AND SHANGHAI BANKING CORPN. LIMITED

AUDITORS

M/S. S. U. KAPASI & CO.
Chartered Accountants

REGISTERED OFFICE

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

DIRECTORS' REPORT

To
The Members,
MAFATLAL ENTERPRISES LIMITED

Your Directors submit their 14th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2010.

During the period under review, the Company has incurred a loss of Rs.13,835/-.

PARTICULARS OF EMPLOYEES

The Company has no employee and therefore, no information is required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975.

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

The Company is not engaged in manufacturing activities during the year under review. 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 period under review.

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:

(i) That in the preparation of the Final Accounts for the Financial Year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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, and of the Profit or Loss of the Company for the said period under review;

(iii) 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;

(iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2010, on a 'going concern' basis.

DIRECTORATE

Shri Pradeep R. Mafatlal is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956, but being eligible offers himself for re-appointment.

AUDITORS

At the ensuing Annual General Meeting, members will be requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai,
Dated : 25th May, 2010.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of MAFATLAL ENTERPRISES LIMITED, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date, 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.

We conducted our audit in accordance with 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.

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.

Further to our comments in the Annexure referred to above, we report that:

(i) 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;

(ii) 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;

(iii) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of the written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes thereon, 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:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and

   (b) in the case of the Profit and Loss account, of the loss for the year ended on that date

For S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. Kapasi)
Proprietor.
Membership No: 30639.

Mumbai
Dated: 25th May, 2010

ANNEXURE

Re: MAFATLAL ENTERPRISES LIMITED
(Referred to in paragraph 1 of our report of even date)

1. The nature of the Company's activities during the year under report have been such that the requirements of clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable.
2. The Company did not have any fixed assets and hence clause (i) of paragraph 4 of the Order is not applicable to the Company, for the year.
3. The Company does not have an inventory, hence clause (ii a), (ii b) and (ii c) of paragraph 4 of the Order are not applicable.
4. The Company has not granted or taken any loans to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii b), (iii c), (iii d), (iii e), (iii f) and (iii g) of paragraph 4 of the Order are not applicable.
5. The Company does not have an inventory/fixed assets and does not sell goods or rendered services hence clause (iv) of paragraph 4 of the Order is not applicable to the Company, for the year.
6. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 and hence the question of commenting on reasonableness of prices does not arise.
7. The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, and the Rules framed thereunder.
8. Since the Company is not a listed Company and does not have paid up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year or an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year, the clause relating to internal audit system is not applicable.
9. The maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956.
10. (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess and any other material statutory dues, where applicable with the appropriate authorities. There are no arrears of aforesaid statutory dues as at the last day of the financial year and outstanding for the period of six months from the date they became payable.

    (b) There are no cases of non-deposit with appropriate authorities of disputed dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
11. The Company has accumulated losses at the end of the financial year however, it does not exceed fifty percent of its net worth. The Company has incurred cash losses in the financial year under report and in the immediately preceding financial period.
12. The Company has not borrowed money from banks/ financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and securities.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
15. The Company has not obtained any term loan during the financial year.
16. The Company has not raised any funds on short term or long term basis.
17. 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.
18. No debentures have been issued by the Company and hence the question of creating security in respect thereof does not arise.
19. The Company has not raised money by way of public issues during the year.
20. 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 S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. Kapasi)
Proprietor.
Membership No: 30639.

Mumbai
Dated: 25th May, 2010

BALANCE SHEET
AS AT 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	*As at 31.03.2009 Rupees*
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
Share Capital	**1**		**5,00,070**	*5,00,070*
Total			**5,00,070**	*5,00,070*
II. APPLICATION OF FUNDS:				
1. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Cash and Bank Balances	**2**	**3,67,069**		*3,81,889*
(b) Loans and Advances	**3**	**3,213**		*3,213*
		3,70,282		*3,85,102*
Less: CURRENT LIABILITIES AND PROVISIONS:	**4**			
(a) Liabilities		**18,875**		*19,860*
(b) Provisions		**3,350**		*3,350*
		22,225		*23,210*
NET CURRENT ASSETS			**3,48,057**	*3,61,892*
2. PROFIT AND LOSS ACCOUNT			**1,52,013**	*1,38,178*
Total			**5,00,070**	*5,00,070*
Significant Accounting Policies and Notes on Accounts	**6**			

As per our attached
Report of even date

S. U. KAPASI & CO.
Chartered Accountants

(S. U. KAPASI)
Proprietor

Mumbai, Dated: 25th May, 2010.

PRADEEP R. MAFATLAL — *Chairman*

S. B. SHAH
M. K. SHAH — *Directors*

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule No.	Rupees	*Previous Period 1.10.2007 to 31.03.2009 Rupees*
INCOME:		**—**	—
EXPENDTIURE:			
Operation and Other Expenses	**5**	**13,835**	*24,602*
		13,835	*24,602*
Loss for the period		**(13,835)**	*(24,602)*
Balance brought forward from previous period		**(138,178)**	*(113,576)*
Deficit carried to Balance Sheet		**(152,013)**	*(138,178)*
Earnings per share (Basic/Diluted)		**(0.28)**	*(0.49)*
(Refer Note No. B1 of Schedule 6)			
Significant Accounting Policies and Notes on Accounts	**6**		

As per our attached
Report of even date

S. U. KAPASI & CO.
Chartered Accountants

(S. U. KAPASI)
Proprietor
Mumbai, Dated: 25th May, 2010.

PRADEEP R. MAFATLAL *Chairman*

S. B. SHAH
M. K. SHAH } *Directors*

SCHEDULES 1 TO 6
FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Schedule — 1

SHARE CAPITAL:

	Rupees	As at 31.03.2009 Rupees
Authorised:		
80,00,000 Equity Shares of Rs. 10/- each	**8,00,00,000**	*8,00,00,000*
Issued and Subscribed:		
50,007 Equity Shares of Rs. 10/- each	**5,00,070**	*5,00,070*
(The above Equity Shares are held by the holding Company: Standard Industries Limited and its nominees)		
Total	**5,00,070**	*5,00,070*

Schedule — 2

CASH AND BANK BALANCES:

Bank Balance:		
With Scheduled Bank:		
In Current Accounts	**3,67,069**	*3,81,889*
Total	**3,67,069**	*3,81,889*

Schedule — 3

LOANS AND ADVANCES:

Advance payment of Taxes	**3,213**	*3,213*
Total	**3,213**	*3,213*

Schedule — 4

CURRENT LIABILITIES AND PROVISIONS:

A. LIABILITIES:		
Sundry Creditors		
(i) Total outstanding dues to Small Scale Industrial Undertakings	**—**	—
(ii) Total outstanding dues to Creditors other than Small Scale Industrial Undertakings	**18,875**	*19,860*
	18,875	*19,860*
B. PROVISIONS:		
For Tax	**3,350**	*3,350*
Total	**22,225**	*23,210*

	Rupees	*Previous Period Rupees*
Schedule — 5		
OPERATION AND OTHER EXPENSES:		
Registration and Filing Fees	**1,000**	*1,000*
Bank Charges	**—**	*7,102*
Payments to Auditors	**11,030**	*15,000*
Professional & General Charges		
(i) Professional Charges	**1,805**	*1,500*
Total	**13,835**	*24,602*

Schedule — 6

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. **Revenue Recognition:**
   Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists.

2. **Contingent Liabilities:**
   These, if any, are disclosed in the notes on accounts. Provision is made in the accounts for those contingencies which are likely to materialise into liabilities after the year end, till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

3. **Taxes on Income:**
   Tax expense comprise both current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax repesents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

B. NOTES ON ACCOUNTS:

B1. Earnings Per Share:

Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:

		Previous Period
Loss for the period (Rs.)	**13,835**	*24,602*
Weighted average number of equity shares outstanding during the period	**50,007**	*50,007*
Earnings per share (Basic/Diluted) (Rs.)	**(0.28)**	*(0.49)*
Nominal value per share (Rs.)	**10.00**	*10.00*

Schedule — 6 (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees	*Previous Period Rupees*
B2. Payments to Auditors:		
(a) As Audit fees	**5,000**	*10,000*
(b) As fees for Taxation matters	**5,000**	*5,000*
(c) As Service Tax on fees	**1,030**	—
Total	**11,030**	*15,000*

B3. Related Party disclosure:

A. Name of the related party

Name of the related party	Relationship
Standard Industries Limited	Holding Company

B. Details of transactions with related parties:

Nature of transactions	Holding Company
Advance received during the period (net)	1,000
	(1,000)
Advances payable as at 31.03.2010	13,360
	(12,360)

Note: Figures shown in bracket pertain to previous period.

B4. Figures of Current Financial year are for a period of twelve months whereas figures of the previous period are for eighteen months and hence not comparable.

B5. Figures of the previous Period have been regrouped wherever necessary.

Signatures to Schedules 1 to 6

As per our attached
Report of even date

S. U. KAPASI & CO.
Chartered Accountants

(S. U. KAPASI)
Proprietor

Mumbai, Dated: 25th May, 2010.

PRADEEP R. MAFATLAL — *Chairman*

S. B. SHAH
M. K. SHAH — *Directors*

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, 2010 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 Rs. 7.64 lakhs as at 31st March, 2010, total revenue of Rs. Nil and Net cash flows amounting to Rs. Nil 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, 2010;

   b. in the case of the Consolidated Profit and Loss Account, of the profit 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 : 26th May, 2010

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2010

	Schedule No.	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
I. SOURCES OF FUNDS:				
1 SHAREHOLDERS' FUNDS:				
(a) Share Capital	1	**3216.45**		*3216.45*
(b) Reserves and Surplus	2	**12986.93**		*12697.55*
Total....			**16203.38**	*15914.00*
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS:	3			
(a) Gross Block		**4410.33**		*2378.40*
(b) *Less:* Depreciation/Amortisation		**758.63**		*732.61*
(c) Net Block		**3651.70**		*1645.79*
(d) Advances for Capital Expenditure		**—**		*309.74*
			3651.70	*1955.53*
2. INVESTMENTS	4		**6167.38**	*1373.30*
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	5	**209.10**		*217.66*
(b) Sundry Debtors	6	**116.48**		*249.54*
(c) Cash and Bank Balances	7	**6404.37**		*13970.39*
(d) Loans and Advances	8	**1618.92**		*1562.45*
		8348.87		*16000.04*
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities	9	**666.42**		*2307.97*
(b) Provisions	10	**1298.15**		*1106.90*
		1964.57		*3414.87*
NET CURRENT ASSETS			**6384.30**	*12585.17*
Total....			**16203.38**	*15914.00*
Significant Accounting Policies and Notes on Accounts	15			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 26th May, 2010

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 1ST APRIL, 2009 TO 31ST MARCH, 2010

	Schedule No.	Rupees in lakhs	Rupees in lakhs	*Previous Period From 1.10.2007 To 31.3.2009 Rupees in lakhs*
INCOME:				
Sales			**880.85**	*3289.20*
Other Income	**11**		**3108.55**	*21551.43*
Amount withdrawn from Revaluation Reserve (Refer Note B 4 of Schedule 15)			**5.47**	*7.89*
(Decrease)/Increase in stocks of finished goods and process stock	**12**		**(8.56)**	*42.11*
			3986.31	*24890.63*
EXPENDITURE:				
Purchase of traded goods			**637.49**	*3841.10*
Operating and other Expenses	**13**		**2188.68**	*5569.45*
Depreciation/Amortisation			**117.04**	*146.42*
Interest	**14**		**—**	*8.93*
			2943.21	*9565.90*
Profit before taxes			**1043.10**	*15324.73*
Provision for tax:				
Current Tax [including **Rs. 7.60 lakhs,** *(Previous period Rs. 7.36 lakhs)* for Wealth Tax]			**(192.60)**	*(3129.51)*
Fringe Benefits Tax			**—**	*(30.53)*
Excess Provision for Taxes in respect of earlier years			**6.95**	*—*
			(185.65)	*(3160.04)*
Profit after taxes			**857.45**	*12164.69*
Balance brought forward from previous period			**8989.97**	*(1,882.10)*
Balance available for appropriation			**9847.42**	*10282.59*
APPROPRIATIONS:				
Proposed Dividend on Equity Shares			**482.47**	*321.65*
Interim Dividend			**—**	*321.65*
Corporate Tax on dividend			**80.13**	*109.32*
Transfer to General Reserve			**45.00**	*540.00*
Surplus carried to Balance Sheet			**9239.82**	*8989.97*
Basic and Diluted earnings per share (Rupees)			**1.33**	*18.91*
Nominal Value per share (Rupees) (Refer Note B 10 of Schedule 15)			**5.00**	*5.00*
Significant Accounting Policies and Notes on Accounts	**15**			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 26th May, 2010

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01.04.2009 TO 31.03.2010

		Rupees in lakhs	Rupees in lakhs	*Previous period from 1.10.2007 to 31.03.2009* *Rupees in lakhs*	*Rupees in lakhs*
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	NET PROFIT BEFORE TAXES		**1043.10**		*15324.73*
	Adjustments for:				
	Depreciation	**116.67**		*138.53*	
	Bad Debts/Advances written off	**300.08**		*2.57*	
	Provision for Doubtful Debts and Advances	**—**		*209.10*	
	Provision for Doubtful debts/Advances written back	**(149.31)**		*(4.32)*	
	Write off/Loss on sale of Fixed Assets (Net)	**33.86**		*284.01*	
	Provision in respect of Electricity duty written off	**(1375.74)**		*—*	
	Excess provision in respect of earlier years written back	**—**		*(8.62)*	
	Sundry Credit balances written back	**(51.27)**		*(115.05)*	
	Dividend on Long Term Investments	**(117.79)**		*(19.27)*	
	Interest Expenses	**—**		*8.93*	
	Interest income on Fixed Deposits with Banks	**(885.62)**		*(1402.18)*	
	Interest income on Inter Corporate Deposit	**(46.55)**		*(2.59)*	
	Interest income on Sales tax/Income tax refund	**(29.66)**		*—*	
	Interest income on Long Term Investments	**(0.02)**		*(1.37)*	
	Interest income on others	**(3.86)**		*(3.47)*	
	Profit on Assignment of Leasehold rights	**—**		*(18999.72)*	
	VRS Expenses Paid/written off	**(0.40)**		*129.24*	
	Sale of Transferable Development Rights	**(18.67)**		*(309.68)*	
	Profit on Sale/Redemption of Long Term Investments	**(3.18)**		*(256.32)*	
	OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES		**(2,231.46)**		*(20,350.21)*
	(Increase)/Decrease in Trade and Other receivables	**(121.47)**		*1,974.01*	
	Decrease in Inventories	**8.55**		*313.05*	
	(Decrease) in Trade and other payables	**(209.93)**		*(1448.68)*	
			(322.85)		*838.38*
			(1,511.21)		*(4,187.10)*
	Direct Taxes paid		**(261.05)**		*(3,008.01)*
	NET CASH USED IN OPERATING ACTIVITIES (A)		**(1772.26)**		*(7195.11)*
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	**(1854.91)**		*(1036.73)*	
	Purchase of Investments	**(11130.81)**		*(1858.12)*	
	Assignment of Leasehold rights (Net)	**—**		*19002.85*	
	Sale of Fixed Assets	**2.75**		*238.41*	
	Sale of Transferable Development Rights	**18.67**		*309.68*	
	Dividend on Long Term Investments	**117.79**		*19.27*	
	Interest income on Fixed Deposits with Banks	**885.62**		*1402.18*	
	Interest income on Inter Corporate Deposit	**46.55**		*2.59*	
	Interest income on Sales tax/Income tax refund	**29.66**		*—*	
	Interest income on Long Term Investments	**0.02**		*1.37*	
	Interest income on others	**3.86**		*3.47*	
	Sale of Investments	**6339.91**		*1305.34*	
	Inter Corporate Deposits	**120.00**		*350.00*	
	NET CASH GENERATED (USED IN)/FROM INVESTING ACTIVITIES (B)		**(5420.89)**		*19740.31*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01.04.2009 TO 31.03.2010 (Contd.)

	Rupees in lakhs	Rupees in lakhs	*Previous period from 1.10.2007 to 31.03.2009* *Rupees in lakhs*	*Rupees in lakhs*
C. **CASH FLOW FROM FINANCING ACTIVITIES:**				
Repayment of Fixed Deposits	**—**		*(0.16)*	
Repayment of Short Term Borrowings (Net)	**—**		*(3.56)*	
Dividend Paid	**(318.21)**		*(794.70)*	
Corporate Dividend Tax paid	**(54.66)**		*(136.68)*	
Interest paid	**—**		*(8.93)*	
NET CASH USED IN FINANCING ACTIVITIES (C)		**(372.87)**		*(944.03)*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		**(7566.02)**		*11601.17*
CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)		**13970.39**		*2369.22*
CASH AND CASH EQUIVALENTS AS AT 31.3.2010 (CLOSING BALANCE)		**6404.37**		*13970.39*

NOTES:

1. Components of cash and cash equivalents include cash and bank balances (Refer Schedule - 7 forming part of the Balance Sheet).
2. Bank balances include balance in fixed deposits aggregating to **Rs. 105.23 lakhs** *(Previous period Rs. 363.81 lakhs)* over which the Banks have lien.
3. Cash and Cash equivalents include current balances in current account with Banks aggregating to **Rs. 25.44 lakhs** *(Previous period Rs. 21.99 lakhs)* which are restricted in use on account of unclaimed Dividends.
4. 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

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

Mumbai, Dated: 26th May, 2010

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

SCHEDULES 1 TO 15

FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

Schedule 1

SHARE CAPITAL

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
Authorised:			
15,00,00,000 Equity shares of Rs. 5/- each		**7500.00**	*7500.00*
Issued, Subscribed and Paid up:			
6,43,28,941 Equity shares of Rs. 5/- each		**3216.45**	*3216.45*
Notes:			
(a) 3,98,000 Equity Shares of the Parent Company of the original value of Rs. 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 Rs. 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 Rs. 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 Rs. 10/- each are allotted as fully paid-up pursuant to conversion of Partly Convertible Debentures.			
Total....		**3216.45**	*3216.45*

Schedule 2

RESERVES AND SURPLUS

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
1. **Capital Reserve:**			
Cash Subsidy:			
As per last Balance Sheet.....		**4.14**	*4.14*
2. **Capital Redemption Reserve Account:**			
As per last Balance Sheet.....		**12.00**	*12.00*
3. **Securities Premium Account:**			
As per last Balance Sheet.....		**2526.90**	*2526.90*
4. **Revaluation Reserve:**			
As per last Balance Sheet.....	**205.54**		*339.06*
Adjustment on account of revalued assets sold/discarded during the year/period.....	**—**		*125.63*
	205.54		*213.43*
Less: Withdrawn from the Reserve and credited to Profit and Loss Account	**5.47**		*7.89*
		200.07	*205.54*
5. **General Reserve:**			
As per last Balance Sheet.....	**959.00**		*419.00*
Transferred from Profit and Loss Account.....	**45.00**		*540.00*
		1004.00	*959.00*
6. Surplus in Profit and Loss Account		**9239.82**	*8989.97*
Total....		**12986.93**	*12697.55*

Schedule 3

FIXED ASSETS

(Rs.In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions	**As at 31.03.2010**	*Upto 31.03.2009*	For the year	Deductions	**Upto 31.03.2010**	**As at 31.03.2010**	*As at 31.03.2009*
Goodwill on consolidation.....	*50.77*	—	—	**50.77**	—	—	—	—	**50.77**	*50.77*
Land (Including Leasehold)	*732.70*	1,809.55	—	**2542.25**	*53.57*	26.77	—	**80.34**	**2461.91**	*679.13*
Buildings	*402.73*	327.01	26.36	**703.38**	*162.91*	6.96	14.01	**155.86**	**547.52**	*239.82*
Plant and Machinery	*345.21*	18.27	86.99	**276.49**	*184.46*	19.56	61.32	**142.70**	**133.79**	*160.75*
Salt Work, Reservoirs, etc	*84.31*	1.88	—	**86.19**	*84.30*	1.88	—	**86.18**	**0.01**	*0.01*
Furniture Fixture and Dead Stock	*303.55*	1.35	15.04	**289.86**	*162.69*	18.28	14.01	**166.96**	**122.90**	*140.86*
Motor Cars and Vehicles	*459.13*	6.60	4.34	**461.39**	*84.68*	43.59	1.68	**126.59**	**334.80**	*374.45*
Total....	*2378.40*	2164.66	132.73	**4410.33**	*732.61*	117.04	91.02	**758.63**	**3651.70**	*1645.79*
Previous Period.....	*3169.63*	726.99	1518.22	2378.40	*1578.86*	146.42	992.67	732.61		
Advances for Capital Expenditure									—	*309.74*
								Total	**3651.70**	*1955.53*

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 Rs. 5187.34 lakhs (Gross Rs. 10985.11 lakhs less accumulated depreciation Rs. 5797.77 lakhs),which had been transferred to Revaluation Reserve.

2. Buildings include the sum of Rs. 20.09 lakhs being the revalued cost of ownership flats and Rs. 412.81 lakhs being the original cost of ownership flats. The Company holds 125 Shares of the aggregate face value of Rs. 0.06 lakh, (Previous year Rs. 0.05 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. Depreciation for the year shown above includes depreciation provided on revalued cost of assets.

4. Goodwill has arisen on Consolidation of accounts of Parent Company with its Subsidiaries.

5. Additions to Leasehold Land is on account of land development expenses such as Roads filling, levelling, etc.

SCHEDULE 4

INVESTMENTS (LONG TERM) (AT COST)

		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
1.	In Government securities (Unquoted) of the face value of Rs. 0.54 lakh held as security by Government authorities.....	**0.54**			*0.58*
	Less: Written off.....	—			*0.04*
				0.54	*0.54*
2.	In Equity Shares/Bonds of other companies/Mutual funds (Fully paid-up):				
	(a) Trade Investments (Unquoted):				
	Nil *(Previous period 8,060)* Equity Shares of Mafatlal Services Limited of the face value of Rs. 100/- each			—	*8.06*
	(b) Non-Trade Investments: (Quoted)				
	13320 Equity Shares of NOCIL Limited of the face value of Rs. 10/- each	**0.17**			*0.17*
	1350 *(Previous period Nil)* Equity Shares of Stanrose Mafatlal Investment & Fin. Limited of the face value of Rs. 10/- each.....	**1.09**			—
	20000 *(Previous period Nil)* Equity Shares of Finolex Industries Ltd. of the face value of Rs. 10/- each.....	**11.44**			—
	2400 Equity Shares of State Bank of India of the face value of Rs. 10/- each	**38.16**			*38.16*
			50.86		*38.33*
	(c) Non-Trade Investments: (Unquoted)				
	200 *(Previous period Nil)* Equity Shares of Stanrose Mafatlal Lubechem Limited of the face value of Rs. 5/- each.....	—			*0.32*
	Less: Written off.....	—			*0.32**
			—		—
	2000 Equity Shares of Syngenta India Limited of the face value of Rs. 10/- each.....	**8.69**			*8.69*
	5500000 Units *(Previous period NIL)* of Tata Fixed Maturity Plan Rs. 10/- each.....	**550.00**			—
	Nil *(Previous period 290)* 6.75% Tax free bonds of Unit Trust of India of Rs. 100/- each	—			*0.29*
	Nil Units *(Previous period 3166688.366 units)* of HDFC Cash Management Fund of Rs. 10/- each.....	—			*317.39*
	Carried Forward....	**558.69**	**50.86**	**0.54**	*46.93*

SCHEDULE 4 (Contd.)

INVESTMENTS (LONG TERM) (AT COST)

		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
	Brought Forward....	**558.69**	**50.86**	**0.54**	*46.93*
Nil	Units *(Previous period 5000000 units)* of Templeton Fixed Horizon Fund of Rs. 10/- each.....	**—**			*500.00*
Nil	Units *(Previous period 5000000 units)* of Reliance Fixed Horizon Fund of Rs. 10/- each.....	**—**			*500.00*
41969.317	Units*(Previous period Nil units)* of HDFC Cash management Fund(TAP).....	**4.21**			—
30893.994	Units *(Previous period Nil units)* of Templeton India Cash Management Account	**3.08**			—
3556578.701	Units *(Previous period Nil units)* of Fortis Flexi Debt Fund	**550.00**			—
50000000	Units *(Previous period Nil units)* HDFC Fixed Maturity Plan.....	**5000.00**			—
			6115.98		
				6166.84	*1326.37*
	Total....			**6167.38**	*1373.30*

Note:

			Cost Rupees in lakhs	Market Value Rupees in lakhs
1.	(a)	Aggregate of quoted investments.....	**50.86**	**66.72**
		Previous period.....	*38.33*	*27.13*
	(b)	Aggregate of unquoted investments	**6116.52**	
		Previous period.....	*1334.97*	
		Total....	**6167.38**	
		Previous Period....	*1373.30*	

* The cost of these shares as on 31.3.2010 is Re. 1/-.

SCHEDULE 5

INVENTORIES

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
Finished Goods		**187.04**	*202.05*
[Includes traded goods **Rs. 157.13 lakhs** *(Previous period Rs. 188.47 lakhs)]*			
Process Stock		**22.06**	*15.61*
Total....		**209.10**	*217.66*

SCHEDULE 6

SUNDRY DEBTORS

Unsecured:

1. Debts outstanding for a period exceeding six months		**447.32**	*732.84*
2. Other Debts		**64.84**	*61.69*
		512.16	*794.53*
Less: Provision		**395.68**	*544.99*
Total....		**116.48**	*249.54*
Note:			
Sundry Debtors include:			
Considered good		**116.48**	*249.54*
Considered doubtful		**395.68**	*544.99*
Total....		**512.16**	*794.53*

SCHEDULE 7

CASH AND BANK BALANCES

1. Cash on hand		**5.15**	*7.88*
2. Bank Balances:			
(a) With Scheduled Banks:			
(i) In Current Accounts	**193.44**		*380.14*
(ii) In Short Term Deposits [includes Fixed Deposits of **Rs. 105.23 lakhs** *(Previous period Rs. 363.81 lakhs)* over which Banks have lien]	**6205.78**		*13582.37*
		6399.22	*13962.51*
(b) With Others:			
In Post Office Savings Bank Account (the maximum amount outstanding at any time during the year **Rs. Nil lakh** *(Previous period Rs. 0.11 lakh)*		**—**	*0.11*
Less: Written off		**—**	*0.11*
		—	*—*
Total....		**6404.37**	*13970.39*

SCHEDULE 8

LOANS AND ADVANCES:

Unsecured:

	Rupees in lakhs	Rupees in lakhs	*As at 31.03.2009 Rupees in lakhs*
1. Advances recoverable in cash or in kind or for value to be received		**1243.48**	*1348.90*
2. Inter Corporate Deposit		**470.00**	*350.00*
3. Balances with Central Excise Collectorate		**4.70**	*4.70*
4. Advance tax (Net)		**273.15**	*200.45*
5. Interest accrued and due on investment		**0.55**	*0.55*
6. Assets held for disposal		**—**	*30.81*
		1991.88	*1935.41*
Less: Provision		**372.96**	*372.96*
		1618.92	*1562.45*
Notes:			
Considered good		**1618.92**	*1562.45*
Considered doubtful		**372.96**	*372.96*
Total....		**1991.88**	*1935.41*

SCHEDULE 9

LIABILITIES

Current Liabilities:

1. Sundry Creditors			
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note B6 of Schedule 15)	**—**	**—**	—
(ii) Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	**523.36**		*779.94*
		523.36	*779.94*
2. Advances received from customers		**1.12**	*0.50*
3. Other liabilities		**112.47**	*1501.10*
4. VRS dues payable		**5.23**	*5.63*
5. Unclaimed Dividend		**24.24**	*20.80*
Total....		**666.42**	*2307.97*

SCHEDULE 10

PROVISIONS

Provision for Taxes (Net)	**56.74**	*55.59*
Provision for Fringe benefits tax (Net)	**5.25**	*9.10*
Provision for disputed rent	**583.66**	*583.66*
Provision for gratuity	**58.42**	*57.20*
Provision for compensated absences	**31.48**	*25.04*
Proposed Dividend	**482.47**	*321.65*
Corporate Dividend Tax	**80.13**	*54.66*
Total....	**1298.15**	*1106.90*

SCHEDULE 11

OTHER INCOME

	Rupees in lakhs	Rupees in lakhs	*Previous period from 1.10.2007 to 31.03.2009 Rupees in lakhs*
Interest Income:			
On Fixed Deposits with Banks (Tax deducted at source **Rs. 91.73 lakhs** *(Previous period Rs. 316.70 lakhs)*]		**885.62**	*1402.18*
On Inter Corporate Deposits (Tax deducted at source **Rs. 4.66 lakhs** *(Previous period Rs. 0.59 lakhs)*]		**46.55**	*2.59*
On Sales tax/Income tax Refund		**29.66**	—
On Long Term Investments		**0.02**	*1.37*
On Others [(Tax deducted at source **Rs. 0.13 lakhs** *(Previous period Rs. 1.30 lakhs)*]		**3.86**	*3.47*
Dividend on Long Term Investments		**117.79**	*19.27*
Sundry Credit Balances written back		**51.27**	*115.05*
Miscellaneous Income		**30.04**	*296.01*
Royalty received [(Tax deducted at source **Rs. 2.08 lakhs** *(Previous period Rs. 4.31 lakhs)*]		**20.19**	*40.39*
Sales tax refund received		**249.57**	—
Refund of Regulatory Liability charges		**127.08**	*92.44*
Profit on sale/redemption of long term investments		**3.18**	*256.32*
Sale of Transferable Development Rights (Refer Note B-14 of Schedule 15)		**18.67**	*309.68*
Provision in respect of Electricity duty written back (Refer Note B-1(4) of Schedule 15)		**1375.74**	—
Provision in respect of Doubtful Debts/Advances written back		**149.31**	*4.32*
Excess provision for earlier period written back		**—**	*8.62*
Profit on Assignment of Leasehold Rights (Refer Note B-13 of Schedule 15)		**—**	*18999.72*
Total....		**3108.55**	*21551.43*

SCHEDULE 12

(DECREASE)/INCREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK

Stocks on 31st March, 2010			
Finished goods	**187.04**		*202.05*
Process stock	**22.06**		*15.61*
		209.10	*217.66*
Less: Stocks on 31st March, 2009			—
Finished goods	**202.05**		*175.55*
Process stock	**15.61**		—
		217.66	*175.55*
(Decrease)/Increase....		**(8.56)**	*42.11*

SCHEDULE 13

OPERATING AND OTHER EXPENSES

		Rupees in lakhs	Rupees in lakhs	*Previous Period From 1.10.2007 To 31.3.2009 Rupees in lakhs*
1.	**Payments to and Provisions for employees:**			
(a)	Salaries, Wages and Bonus	**165.68**		*274.90*
(b)	Contribution to Provident, Superannuation, Gratuity and other Funds	**60.79**		*39.08*
(c)	Welfare Expenses	**38.67**		*37.13*
			265.14	*351.11*
2.	**Other Expenses:**			
(a)	Stores and Spare-parts consumed		**9.18**	*26.95*
(b)	Power and Fuel		**66.32**	*96.71*
(c)	Rent (including Lease Rent **Rs. 6.01 lakhs** *(Previous period Rs. 10.83 lakhs)*]		**109.43**	*164.67*
(d)	Expenses on Property on Leave and Licence		**—**	*0.83*
(e)	Charges for Corporate Office service and facility		**119.12**	*181.84*
(f)	Repairs:			
	To Buildings	**147.47**		*80.52*
	To Machinery	**10.05**		*7.84*
	To Salt Works	**71.27**		*39.05*
	To Others	**15.45**		*31.19*
			244.24	*158.60*
(g)	Labour Charges		**28.79**	*18.27*
(h)	Insurance		**6.29**	*10.96*
(i)	Rates and Taxes		**19.17**	*57.86*
(j)	Stationery, Printing, Advertisement Postage and Telegrams, etc.		**60.19**	*72.57*
(k)	Contributions and Donations		**22.17**	*61.01*
(l)	Commission, Brokerage and Discount on Sales		**7.98**	*209.31*
(m)	Transport and Freight charges		**10.61**	*19.59*
(n)	Consulting Fees		**79.97**	*158.97*
(o)	Raw Materials written off		**—**	*198.77*
(p)	Stores and Spare parts written off		**—**	*30.96*
(q)	Bad Debts/Advances/Sundry Debit balances written off		**300.08**	*84.65*
(r)	Long Term Investment written off		**—**	*0.36*
(s)	Loss on sale/write off of Fixed Assets		**38.96**	*284.01*
(t)	Land levelling and Development charges		**294.36**	*15.42*
(u)	Provision for Doubtful Advances		**—**	*209.10*
(v)	Directors' Fees		**9.06**	*9.65*
(w)	V.R.S. Expenses written off (Refer Note No. B-12 of Schedule 15)		**—**	*2,301.30*
(x)	Post Office Savings Bank A/c. written off		**—**	*0.11*
(y)	Travelling and Conveyance Expenses		**129.17**	*333.67*
(z)	Security charges		**40.38**	*—*
(z1)	Royalty and Cess		**14.92**	*506.01*
(z2)	Miscellaneous Expenses		**313.15**	*6.19*
	Total....		**2188.68**	*5569.45*

Note: Miscellaneous Expenses includes Fees and subscription, Bank charges, Legal charges, etc.

SCHEDULE 14

INTEREST

	Rupees in lakhs	*Previous Period From 1.10.2007 To 31.3.2009 Rupees in lakhs*
On Bank Cash Credit Accounts, etc.	—	*0.60*
On Inter Corporate Deposits	—	*8.33*
Total....	—	*8.93*

SCHEDULE 15

(CONSOLIDATED) SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

A1. **Basis of Consolidation:**

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 is in conformity with the Accounting Standard on "Consolidated Financial Statements" (AS-21) issued under Accounting Standards 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 recognised in the period in which the results are known/materialise.

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.

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 recognise the decline.

A5. **Inventories:**

Inventories (Traded goods) of Parent Company are valued at lower of cost and net realisable value.

In respect of SSWL, stores and tools are acquired as and when required and treated as consumed in the year of acquisition.

A6. **Doubtful Debts/Advances:**

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

A7. **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.

A8. **Sales/Turnover:**

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

A9. **Revenue Recognition:**

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

SCHEDULE 15 — (Contd.)

A. SIGNIFICANT ACCOUNTING POLICIES

A10. **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 considering the Balance Sheet date as the notional date of retirement.

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.

A11. **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 No. B4).

(iii) Cost of leasehold land is written off over the period of lease.

A12. **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 the realisation/payment of foreign exchange are accounted, in the relevant year, as income or expense.

A13. **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 cost of disposal.

A14. **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised 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.

A15. **Taxes on Income:**

Tax expenses comprises of current tax, deferred tax and fringe benefits 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 period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognised 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 recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognised in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India (ICAI). Tax on distributed profits payable in accordance with the provisions of the Income-tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the ICAI.

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

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B1. 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**	*49.87*
b. Claims in respect of Labour matters	**36.37**	*40.53*
c. Arrears of Water charges	**45.06**	*96.16*
d. Disputed Rent	**1364.17**	*1364.17*
e. Amount claimed by Taluka Development Officer towards Local Cess and Education Cess	**41.17**	*52.31*

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
The above claims are pending before various authorities. The Standard Industries Limited Group 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 authorites. The Standard Industries Limited Group is confident that the cases will be successfully contested	**347.25**	*377.97*
4. 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 current year, the Hon'ble 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 Rs. 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**	—
5. Disputed demand of Income-tax:		
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"	**6.31**	*6.31*
B2. Managerial Remuneration U/s.198 of the Companies Act, 1956		
To The Managing Director:		
(i) Remuneration	**46.49**	*35.78*
(ii) Perquisites in cash or in kind	**4.58**	*1.27*
(iii) Contribution towards Provident and other Funds	**10.60**	*9.54*
Total Managerial Remuneration	**61.67**	*46.59*

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

		Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B3.	Payments to Auditors:		
(a)	As Auditors	**7.75**	*10.50*
(b)	For Audit of Accounts for tax purposes and Tax Audit	**6.50**	*13.70*
(c)	As Advisor or in any other capacity in respect of Taxation matters	**0.60**	*1.00*
(d)	In any other manner (certification etc.)	**20.38**	*25.87*
(e)	For expenses	**0.08**	*0.11*
(f)	For service tax	**3.63**	*6.15*
		38.94	*57.33*

B4. 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 **Rs. 5.47 lakhs** *(Previous period Rs. 7.89 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.

B5.	The net amount of exchange (loss)/gain included in the Profit and Loss Account for the year	**(0.04)**	*0.03*

B6. 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.

B7. SEGMENT INFORMATION:

(a) **INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS**

The Group Company's primary business segments are as follows:

(i) Trading

(Ii) Real Estate

(iii) Others

(Rupees in lakhs)

	Trading	Real Estate	Others	Total
REVENUE:				
From External Customers	**705.91**	**2037.79**	**175.99**	**2919.69**
	3126.17	*20107.52*	*178.06*	*23411.75*
RESULT:				
Segment Result	**(6.90)**	**1315.01**	**(15.80)**	**1292.31**
	(762.24)	*8801.47*	*6835.35*	*14874.58*
Unallocated Corporate Expenses				**1332.79**
				969.80
Operating Profit				**(40.48)**
				13924.05

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

(Rupees in lakhs)

	Trading	Real Estate	Others	Total
RESULT (Contd.):				
Interest Expenses				**—**
				8.93
Interest Income				**1083.58**
				1409.61
Income tax/Wealth-tax				**192.60**
				3160.04
Excess provision for Tax				**6.95**
				—
Net Profit after taxes				**857.45**
				12164.69
OTHER INFORMATION:				
Segment Assets	**399.37**	**4899.16**	**129.40**	**5427.93**
	433.05	*3318.84*	*114.95*	*3866.84*
Unallocated Corporate Assets				**16844.70**
				19345.42
Total Assets				**22272.63**
				23212.26
Segment Liabilities	**79.42**	**541.57**	**184.39**	**805.38**
	104.85	*2162.70*	*19.19*	*2286.74*
Unallocated Corporate Liabilities				**4682.64**
				4870.95
Total Liabilities				**5488.02**
				7157.69
Capital Expenditure	**—**	**2139.63**	**25.02**	**2164.65**
	6.52	*714.95*	*5.52*	*726.99*
Depreciation	**0.71**	**104.99**	**5.87**	**111.57**
	0.88	*131.10*	*6.55*	*138.53*
(b) **SIGNIFICANT NON-CASH EXPENSES OTHER THAN DEPRECIATION**				
Obsolete Fixed Assets written off		**—**	—	—

(c) The Subsidiary Companies do not have any reportable secondary segments.

Note: Figures shown in *italics* are for previous period.

B8. 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
Shailaja Enterprises Pvt. Ltd.	
Sandeep Chemicals Pvt. Ltd.	
Anudeep Enterprises Pvt. Ltd.	
Mr. Pradeep R. Mafatlal	Key Management Personnel
Mrs. Divya P. Mafatlal	Key Management Personnel
Mr. K. J. Pardiwalla	Key Management Personnel

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

(b) Details of Transactions with related parties:

(Rupees in lakhs)

Nature of Transactions	Enterprises over which Key Management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Leave and Licence fees			
Shanudeep Private Limited.....	**93.38**	**—**	**93.38**
	(142.16)	*(—)*	*(142.16)*
Corporate Office Service and Facility			
Shanudeep Private Limited.....	**119.12**	**—**	**119.12**
	(184.84)	*(—)*	*(184.84)*
Recovery of Common Expenses			
Shanudeep Pvt. Ltd	**11.44**	**—**	**11.44**
	(9.83)	*(—)*	*(9.83)*
Managerial Remuneration:			
Mr. K. J. Pardiwalla.....	**—**	**61.67**	**61.67**
	(—)	*(46.59)*	*(46.59)*
Directors Sitting Fees:			
Mr. Pradeep R. Mafatlal.....	**—**	**1.12**	**1.12**
	(—)	*(1.34)*	*(1.34)*
Mrs. Divya P. Mafatlal.....	**—**	**0.80**	**0.80**
	(—)	*(0.70)*	*(0.70)*
Amounts due to as at 31.3.2010			
Sandeep Chemicals Private Limited ...	**0.09**	**—**	**0.09**
	(0.09)	*(—)*	*(0.09)*
Amounts due from as at 31.3.2010			
Shailaja Enterprises P. Ltd	**—**	**—**	**—**
	(6.18)	*(—)*	*(6.18)*
Anudeep Enterprises P. Ltd.....	**—**	**—**	**—**
	(3.64)	*(—)*	*(3.64)*

Notes:

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

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B9. 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.....	**32.98**	*86.40*
Amount due later than one year and not later than five years.....	**—**	*32.98*
Amount due later than five years.....	**—**	*—*
(b) Amount of lease rentals in respect of operating leases recognised in the Profit and Loss account is **Rs. 86.40 lakhs** *(Previous period Rs. 129.60 lakhs)*.		

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees in lakhs	*Previous period from 1.10.2007 to 31.3.2009 Rupees in lakhs*
B10. 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 period as under:		
Profit after taxes (Rs. in lakhs)	**857.45**	*12164.29*
Weighted average number of equity shares outstanding during the period (Nos.)	**64328941**	*64328941*
Basic/Diluted Earnings per share (Rs.)	**1.33**	*18.91*
Nominal value per share (Rs.)	**5.00**	*5.00*
B11. COMPONENTS OF DEFERRED TAX ASSET/(LIABILITY) ARE AS UNDER:		
Difference in Tax and Book Written Down Value of fixed assets	**(28.78)**	*(286.97)*
Unabsorbed carry forward Depreciation Allowance/Business Loss	**679.70**	*552.72*
Disallowance U/s. 43B of Income-tax Act, 1961	**0.78**	*495.27*
Provision for Doubtful Debts/Advances	**261.26**	*312.60*
VRS Expenses not written off	**251.07**	*312.88*
Provision for Leave Encashment	**10.70**	*0.10*
Provision for Gratuity	**17.38**	—
Deferred Tax Asset/(Net)*	**1192.11**	*1386.60*

* The Net Deferred Tax Asset as at March 31, 2009 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".

B12. Consequent to the Memorandum of Settlement (MOS) dated 18th October, 2006 entered into between the Parent Company and its employees of the Chemical Plant situated at Navi Mumbai and the scheme announced by the Parent Company for employees at the Head Office, the Parent Company agreed to pay amounts aggregating to Rs. 3673.00 lakhs to the said employees in the nature of Voluntary Retirement under the said MOS/Scheme over an agreed period, which were considered as 'Termination Benefits' in accordance with Accounting Standard 15 on 'Employee Benefits'. During the previous period, the Parent Company, having regard to the change in its business focus decided to write-off the balance unamortized amount of such payments aggregating to Rs. 2295.63 lakhs as at 30th September, 2007 and similar payments made during the previous period Rs. 5.67 lakhs both aggregating to Rs. 2301.30 lakhs to the Profit and Loss Account.

B13. The Parent Company has executed Deed of Assignment dated 24th April, 2008 with a party in respect of 30 acres of leasehold land on which its Chemical Plant was situated, within the larger property admeasuring 92.25 acres and has received Consideration of Rs. 23000.00 lakhs for the same during the previous period. Accordingly, the Parent Company has accounted for profit on such assignment of Rs. 18999.72 lakhs net of related expenses, in the said previous period.

B14. The Parent Company has received an amount aggregating to **Rs. 18.67 lakhs** (*Previous period Rs. 309.68 lakhs)* on account of sale of Transferable Development Rights (TDR) on **119.63 sq. meters** *(Previous period 1540 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 11 – "Other Income".

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

B15. Employees Retirement Benefits:

(a) The disclosures as required under the Accounting Standard 15 on "Employee Benefit" as per actuarial valuation on 31st March, 2010 regarding the Employees Retirement Benefits Plan for gratuity are as follows:

Particulars	**Rupees in lakhs**	*Previous period Rupees in lakhs*
Projected benefit obligation at the beginning of the period	**115.42**	*103.60*
Current Service cost	**4.58**	*10.43*
Interest cost	**7.92**	*13.45*
Actuarial loss	**34.71**	*3.58*
Benefits paid	**(13.73)**	*(15.64)*
Projected benefit obligation, end of the period	**148.90**	*115.42*
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 period	**84.40**	*70.86*
Expected Return on Assets	**9.62**	*10.13*
Actuarial (Loss)/Gain	**(19.75)**	*2.12*
Benefits Paid	**(13.73)**	*(15.64)*
Contributions	**42.82**	*16.93*
Fair Value of Plan Assets at the end of the period	**103.36**	*84.40*
Gratuity Cost for the period.		
Current Service Cost	**4.58**	*10.43*
Interest Cost	**7.92**	*13.45*
Expected Return on Assets	**(9.62)**	*(10.13)*
Net Actuarial Loss	**54.44**	*1.47*
Net Periodic Gratuity Cost	**57.32**	*15.22*

(b) Assumptions:

Discount Rate	**7.50%**	*7.00%*
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 written to the said Ministry to withdraw the Cost Audit Order for which the reply from the Ministry is awaited.

SCHEDULE 15 — (Contd.)

B. NOTES ON ACCOUNTS:

B17. The figures of the current financial year in the Profit and Loss Account are for a period of twelve months whereas, the corresponding figures of the previous period are for a period of eighteen months and hence are not strictly comparable.

B18. The figures of previous period 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: 26th May, 2010

P. R. MAFATLAL
Chairman

K. J. PARDIWALLA
Managing Director

TANAZ B. PANTHAKI
Company Secretary

STANDARD INDUSTRIES LTD.

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

Date: 31st May, 2010

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 24th July, 2010, 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-400 072.

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

Designed & Printed by vakils