

**STANROSE MAFATLAL  
INVESTMENTS AND FINANCE LIMITED**



**30<sup>TH</sup>**

ANNUAL REPORT 2009-2010

# STANROSE MAFATLAL

## INVESTMENTS AND FINANCE LIMITED

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<b>REGISTERED OFFICE</b>		<b>FINANCIAL ADVISOR</b>
POPULAR HOUSE, ASHRAM ROAD AHMEDABAD-380 009		SHRI BHARAT N. DAVE
<b>CORPORATE OFFICE</b>		<b>COMPANY SECRETARY</b>
VIJYALAXMI MAFATLAL CENTRE 57-A, DR. G. DESHMUKH MARG, MUMBAI-400 026		SHRI GIRISH R. SHAH
<b>BANKERS</b>		<b>DEPUTY MANAGER (ACCOUNTS &amp; TAXATION)</b> {CFO as envisaged under Listing Agreement}
HDFC BANK LTD.            IDBI BANK LTD. AXIS BANK LTD.        CITI BANK, N.A.		SHRI HARSHAD V. MEHTA
<b>AUDITORS</b>		<b>SHARE TRANSFER AGENT</b>
C. C. CHOKSHI & COMPANY <i>Chartered Accountants</i>		LINK INTIME INDIA PVT. LTD., (Being Appointed) 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009. Tel. 079 26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>
<b>Listed at:</b>		
BOMBAY STOCK EXCHANGE LTD. AHMEDABAD STOCK EXCHANGE LTD.		

Shareholders intending to require any information about the accounts to be explained in the Meeting are requested to inform the Company at least ten days in advance of the Annual General Meeting.

**DIRECTORS' REPORT**

To The Members,  
**STANROSE MAFATLAL INVESTMENTS AND  
 FINANCE LIMITED**

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2010.

**FINANCIAL RESULTS:**

	<i>(Rupees in Lacs)</i>	
	<b>Current Year</b>	<i>Previous Year</i>
	<b>Rupees</b>	<i>Rupees</i>
Total Income	<b>1468.79</b>	<i>686.46</i>
Gross Profit	<b>1266.31</b>	<i>513.33</i>
Less: Depreciation	<b>14.73</b>	<i>18.04</i>
Profit before Tax	<b>1251.58</b>	<i>495.29</i>
Less: Provision for Taxation	<b>194.90</b>	<i>47.72</i>
Short Provision for taxation in respect of earlier years (Net)	<b>—</b>	<i>3.73</i>
Profit after Tax	<b>1056.68</b>	<i>443.84</i>
Add: Profit brought forward from Previous Year	<b>498.63</b>	<i>357.27</i>
Balance Available for Appropriation	<b>1555.31</b>	<i>801.11</i>
Transferred to Reserve u/s. 45 IC of RBI Act, 1934	<b>218.00</b>	<i>90.00</i>
Transfer to General Reserve-I	<b>110.00</b>	<i>50.00</i>
Proposed Dividend	<b>198.40</b>	<i>138.88</i>
Tax on Dividend	<b>33.71</b>	<i>23.60</i>
Balance carried forward	<b>995.20</b>	<i>498.63</i>

**DIVIDEND**

Your Directors recommend a Dividend of Rs.5.00 per share including a special Dividend of Rs.1.50 per share for higher profits in the current year (Previous Year Rs.3.50 per share) on 39,67,920 Equity Shares of Rs.10 each aggregating to Rs.232.11 Lacs (inclusive of dividend tax) for the financial year ended on 31st March, 2010. If approved by the Shareholders at the forthcoming Annual General Meeting to be held on 13th August, 2010, the said dividend will be paid on 30th August, 2010, to those shareholders whose names appear on the Register of Members of the Company on 12th July, 2010.

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)****ECONOMIC OVERVIEW**

The year 2009-10 proved to be a year of global economic resurgence. The global economy, after faltering due to recession during 2008-09, witnessed an improvement mainly on account of infusion of stimulus funds by respective countries. China and India led the recovery from the front, on account of huge domestic demand and continued thrust on infrastructure creation, further propelling

demand within the core sectors. The US recovery largely driven by fiscal and monetary stimulus, is expected to clock a GDP growth of 2.8% in 2010.

As per the revised estimates of GDP for 2009-10 released by the Central Statistical Organisation (CSO), the Indian economy is expected to grow at 7.4% in 2009-10, with (i) manufacturing sector growing at 10.8%, (ii) mining and quarrying at 10.6% and (iii) financing, insurance, real estate and business services sector at 9.7%, mainly driven by factors like rising per capita income, urbanization, favourable demographics and increasing job security. Farm sector grew by 0.2% in 2009-10, despite the drought, good winter crops made-up for the kharif shortfall. Fixed Investment, the big driver of growth, is up at 17.7% in the last quarter of 2009-10. The causes of concern are declining consumption expenditure by the Government, likely hit on exports if the crises in Europe drags on or spreads, sticky food inflation etc. Barring any problems caused by the Country's fiscal vulnerability, growth is expected to strengthen in subsequent years as it will continue to reap the benefits of the ongoing opening up of the economy and gradual improvements in infrastructures.

**Financial Review**

The total income for the year was Rs.1468.79 Lacs as compared to Rs.686.46 Lacs in the previous year. Depreciation was lower at Rs.14.73 Lacs (Previous Year Rs.18.04 Lacs). The Provision for Taxation during the year was Rs.194.90 Lacs. Profit after tax was Rs.1056.68 Lacs, which is substantially higher as compared to Rs.443.84 Lacs in the previous year, mainly on account of booking of long-term capital gain.

An amount of Rs.218 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45 IC of RBI Act, 1934 and an amount of Rs.110 Lacs was transferred to General Reserve I during the year under review.

The Net Worth of the Company as at 31st March, 2010 stood at Rs. 4213.98 Lacs as against Rs.3389.41 Lacs on 31st March, 2009

**Industry Structure and Developments**

The NBFC industry in private sector in India is represented by a mix of a few large companies with nation-wide presence and a large number of small and medium sized companies with regional focus. These NBFCs provide a variety of services including fund-based and fee-based activities and cater to retail and non-retail markets and niche segments.

NBFCs continue witnessing strong competition in their traditional areas of retail lending from Banks and Financial Institutions. Banks which have innate advantage of lower cost of funds, are taking an increasing share in retail financing and providing a strong competition to NBFCs.

In this scenario, NBFCs are under pressure to cut costs and to develop a focused marketing approach on selected customer segments by offering more personalized services. The entry of strong NBFCs in insurance and banking has been one of the major developments in this sector.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### Business Review

The Company's operations continue to be mainly focused in the areas of Inter- corporate Investments, Capital Market activities and Financing. Segment-wise brief outline of financial and operational performance during the year under report is as under:

#### (i) Inter-corporate Investments

The Company's investment portfolio is reviewed from time to time and securities are bought to add to the Portfolio or sold in order to make Capital gains. Details of the Company's investments are given in Schedule 4 of the Balance Sheet of the Company as at 31st March, 2010. The total worth of Company's Quoted and Unquoted Investments (including Stock-in-trade) as at 31st March, 2010 is Rs.7786.10 Lacs (Previous Year Rs.4693.87 Lacs) which is 239.84% (Previous Year 47.30% ) higher than related Book Value. The substantial increase in appreciation is mainly on account of overall increase in Market Capitalization.

During the year under report, the Company has made net addition of Rs.48.48 Lacs in its long term investment portfolio against divestment of Rs.164.52 Lacs (net) in the previous year.

During the year under report, the Company has made a net profit of Rs.1260.98 Lacs on sale of long term investments as against Rs.514.88 Lacs in the previous year.

During the year, the Company earned income by way of Dividend of Rs.112.33 Lacs against Rs.126.27 Lacs in the previous year which inter alia includes Rs.50.64 Lacs received from Standard Industries Ltd. against Rs.50.36 Lacs in the previous year and Rs.1.89 Lacs on Units of Mutual Funds (Previous Year Rs.21.89 Lacs).

#### (ii) Trading in Securities

During the year under review, the Company concentrated its focus on trading in securities and has made a profit of Rs.40.77 Lacs as against Rs.27.48 Lacs in the previous year. The increase is on account of improved equity markets during 2009-10.

#### (iii) Finance

During the year under report the Company earned interest income of Rs.52.40 Lacs as against Rs.16.03 Lacs in the previous year. The increase is on account of deployment of additional fund in Inter-Corporate Deposits.

### Opportunities and Threats

As various factors are posing constant threats and high volatility of the Capital Markets, it appears to be beneficial to diversify the portfolio to reduce the risk and insulate from the vagaries of stock-market. Mutual Funds help to reduce risk through diversification and professional management and therefore, the Company invests in debt/equity oriented Mutual Funds. One of the biggest

advantages of Mutual Fund investment is Liquidity. Open-end funds provide option to redeem on demand, which is beneficial during rising or falling markets. The management is exploring other avenues of business.

### Outlook

The Company intends to continue focusing on capital market activities including trading in securities and emerging products in derivatives.

### Risk and Concern

The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The Company has significant quoted investments which are exposed to fluctuations in stock prices. These investments represent a material portion of the Company's business and are vulnerable to fluctuations in the stock markets. Any decline in prices of the Company's quoted investments may affect its financial position and the results of its operations. The Company has a well diversified portfolio of stocks to mitigate any stock specific risks. It continuously monitors its market exposure and tries to manage these risks by following prudent business and risk management practices.

### Adequacy of Internal Control

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. The Internal control is supplemented by an effective internal audit being carried out by an external firm of Chartered Accountants.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

### Human Resource Development (HRD)

The Company has a team of able and experienced industry professionals and employees. The number of employees stood at 18 as on 31st March, 2010.

### CORPORATE GOVERNANCE

The Company has complied with the applicable provisions of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditors' Certificate.

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

### FIXED DEPOSITS

Your Company has not accepted any public deposits during the year under review.

## **STANROSE MAFATLAL**

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that:

1. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed and that there are no material departures from the same;
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the profit for the year ended on that date.
3. Proper and sufficient care has been taken 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. The annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2010 have been prepared on a 'going concern' basis.

### **SUBSIDIARIES**

Stanrose Mafatlal Lubechem Limited, a substantially owned subsidiary of the Company is in provisional liquidation. The Hon'ble High Court of Bombay has admitted the Winding-up Petition filed by one of the creditors and appointed a Provisional Liquidator on 21<sup>st</sup> March, 2007, who has initiated its liquidation proceedings. Its Financial Statements/Results thereafter are not prepared/made available.

Thus at the end of the financial year viz. 31<sup>st</sup> March, 2010 as at which Company's Balance Sheet is made out the Company was not having any subsidiary in operation and hence the question of annexing statements/documents pertaining to the subsidiary to the Balance Sheet as at 31<sup>st</sup> March, 2010 of the Company, as referred under Section 212 of the Companies Act, 1956, does not arise.

### **DIRECTORATE**

In terms of Article 155 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956 (the Act), Shri Pradeep R. Mafatlal and Shri Arun P. Patel, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Their brief resumes, as required under Clause 49 of the Listing Agreement, are covered in the notes of the Notice for 30<sup>th</sup> AGM of the Company.

Shri Madhusudan J. Mehta, was appointed as an Additional Director of the Company pursuant to the provisions of Article 139 of the Articles of Association of the Company read with Section 260 of the Act. Shri Mehta is holding office upto the date of the ensuing Annual General Meeting

and is eligible for re-appointment as a Director of the Company. A Notice together with requisite deposit u/s. 257 of the Act has been received by the Company from some members, signifying their intention to propose him as a Director at the forthcoming AGM.

Your Directors regret to inform about the sad demise of Shri Rozal J. Mehta on 22<sup>nd</sup> March, 2010, who was associated with the Company as a Director since June, 1988. The invaluable services and guidance rendered by him to the Company will be greatly missed.

Shri F. M. Pardiwalla was appointed on 29<sup>th</sup> May, 2010 as a Director to fill the casual vacancy caused by the demise of Shri Rozal J. Mehta to hold office till the date Mr. Mehta would have held.

None of the Directors of the Company is disqualified from being appointed as a Director as specified under Section 274 of the Companies Act, 1956.

### **AUDITORS AND AUDITORS' REPORT**

M/s. C. C. Chokshi & Co., Chartered Accountants, the Statutory Auditors of the Company are holding office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Your Company is not engaged in any manufacturing activity and as such has no particulars to disclose under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as regards conservation of energy or technology absorption. Further, during the year under review, your Company has neither earned nor made any payment in foreign exchange.

### **PARTICULARS OF EMPLOYEES**

Your Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956, as amended to date. Hence, no information is required to be appended to the Report in this regard.

### **ACKNOWLEDGEMENTS**

Your Directors sincerely express their deep appreciation to employees at all levels, bankers, customers and shareholders for their sustained support and co-operation and hope that the same will continue in future.

*For and on behalf of the Board*  
**Pradeep R. Mafatlal**  
*Chairman*

*Mumbai,*  
*Dated : 3rd June, 2010.*

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### REPORT ON CORPORATE GOVERNANCE

**[As required by Clause 49 of the Listing Agreement with Stock Exchanges]**

Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance standards for listed companies vide Clause No. 49 of the Listing Agreements with the Stock Exchanges. The Company furnishes its report on the Corporate Governance as under:

**Company's Philosophy on Corporate Governance**

Corporate Governance is a combination of voluntary practices and compliance with Laws and Regulations leading to effective control and management of the organization. Good Corporate Governance leads to long-term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

**1. BOARD OF DIRECTORS:**

(A) Composition of the Board:

The Company's Board consists of Directors having varied experience in different areas with some eminent personalities who have made a mark in their respective fields. The composition of the Board is in conformity with the provisions

of Clause 49 of the Listing Agreements. Shri Pradeep R. Mafatlal, a Non-Executive Promoter Director, is the Chairman of the Company, heading the Board. The Board comprises of 8 Non-Executive Directors, of whom 4 Directors are Independent and 4 are Non-Independent. Shri Chetan J. Parikh is the brother-in-law of Shri Pradeep R. Mafatlal.

The vacancy caused due to the sudden demise of one of the Independent Directors, Shri Rozal J. Mehta on 22nd March, 2010, was filled in on 29th May, 2010. The number of Independent Directors had fallen short by one for some time.

(B) Category of Directors, their attendance at the Board and AGM, etc.

The category of Directors, their attendance at the Board Meetings during the year 2009-10 and the last Annual General Meeting, the particulars of no. of other Directorships and Committee Memberships held are as follows: (See Table-1 given at the bottom)

(C) Number of Board Meetings held and the dates on which such Meetings were held, etc.:

Six Board Meetings were held during the year on 24.4.2009, 12.6.2009, 28.7.2009, 12.9.2009, 28.10.2009 and 30.1.2010.

**TABLE : 1 [Reference : Para 1(B)]**

Name of Director	Category of Director	No. of Other Directorships *	No. of Other Committee Memberships**	Attendance	
				Board Mtgs.	Last AGM
1. Shri Pradeep R. Mafatlal <i>Chairman</i>	Non-Independent Non-Executive	2 (Chairman)	1	1	No
2. Shri Russi Jal Taraporevala	Independent Non-Executive	2	2	1	No
3. Shri Arun P. Patel	Independent Non-Executive	1	—	6	Yes
4. Shri Rajesh Jaykrishna	Independent Non-Executive	—	—	5	Yes
5. Late Shri Rozal J. Mehta (expired on 22-3-2010)	Independent Non-Executive	—	—	1	No
6. Shri Chetan J. Parikh	Non-Independent Non-Executive	2	—	1	No
7. Shri Kersi J. Pardiwalla	Non-Independent Non-Executive	3 (Chairman of 1)	—	5	Yes
8. Shri Madhusudan J. Mehta Additional Director w.e.f 12th September, 2009.	Non-Independent Non-Executive	2	—	3	N. A.
9. Shri F. M. Pardiwalla w. e. f 29-05-2010.	Independent Non-Executive	1	2	N. A.	N. A.

\* Excludes Private and Foreign Companies.

\*\* Represents Chairmanship/Membership of Audit Committees and Shareholders'/Investors' Grievance Committees of Public Limited Companies.

## STANROSE MAFATLAL

All relevant information such as statement of investments, finance, financial results, capital expenditure proposals, etc. as a matter of routine, is placed before the Board for its appraisal, review and approval.

### 2. CODE OF CONDUCT:

The Board of Directors has adopted a Code of Conduct for Board Members and Senior Management Personnel of the Company. The said Code has been communicated to all the Directors and members of the Senior Management, who have affirmed their compliance with it as approved and adopted by the Board. However, as the appointment of CEO viz. Managing Director or Manager under the Companies Act, 1956, in the Company being non-mandatory, a declaration to this effect signed by the CEO is not contained in the Annual Report. As the Company does not have its own website, it could not place the said Code on it.

### 3. CEO / CFO CERTIFICATION :

A Certificate from the CFO about the correctness of the Annual Financial Statements, etc. was placed before the Board.

The appointment of CEO viz. Managing Director or Manager under the Companies Act, 1956, in the Company, being non-mandatory, no such certificate is placed before the Board.

### 4. COMMITTEES OF THE BOARD:

#### (a) Audit Committee:

Consequent upon the sudden demise of Shri Rozal J. Mehta, one of the Committee members on 22nd March, 2010, the Board reconstituted the Audit Committee, now comprising of four Independent Non-Executive Directors, viz. Shri F. M. Pardiwalla, Chairman, Shri Arun P. Patel, Shri Rajesh Jaykrishna and Shri Russi Jal Taraporevala. The Company Secretary acts as a Secretary to the Committee.

The number of members of the Audit Committee had fallen short by one during the intervening period i.e. from the date of death of Shri Rozal J. Mehta on 22nd March, 2010 to the date of appointment of Shri Russi Jal Taraporevala on the Committee on 23rd April, 2010.

The role, term of reference and the authority and powers of this Committee are in conformity with the requirements of the Listing Agreement, as amended to date.

During the year the Committee met five times. Shri Arun P. Patel attended all the five meetings, Shri Rajesh Jaykrishna attended four meetings and Late Shri Rozal J. Mehta attended one.

#### (b) Shareholders'/Investors' Grievance Committee

- i) Name of Non-executive Director heading the Committee: Shri Russi Jal Taraporevala
- ii) Name and Designation of Compliance Officer: Shri Girish R. Shah, Company Secretary.

iii) Number of shareholders' complaints received: During the year 2009-10, the Company has received 9 complaints in the aggregate pertaining to transfer of shares, non-receipt of declared Dividend, non-receipt of balance sheet, etc. and all of them have been resolved by furnishing requisite information/documents.

iv) Number not solved to the satisfaction of shareholders: NIL

v) Number of pending share transfers: 84 requests for transfer were pending for approval as on 31st March, 2010, which were approved on 1st April, 2010.

vi) During the year the Committee met once. Shri Russi Jal Taraporevala, Shri Pradeep R. Mafatlal and Shri Chetan J. Parikh attended the Meeting.

### 5. RISK MANAGEMENT:

The Company follows the business risk management practices covering the entire spectrum of business operations and the Board has been informed about the risk assessment and risk minimization procedures as required under Clause 49 of the Listing Agreement. Business risk evaluation and management is an ongoing process with the Company.

### 6. SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian Subsidiary Companies whose turnover or networth (paid-up Capital and Free Reserves) exceeds 20% of the consolidated turnover or networth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

Stanrose Mafatlal Lubechem Limited, a substantially owned subsidiary of the Company is in provisional liquidation. In Company Petition No. 642 of 2006 and Company Application No. 1116 of 2006, the High Court of Bombay admitted the Petition and appointed a Provisional Liquidator on 21st March, 2007, who has initiated the winding-up proceedings for the said subsidiary.

### 7. DIRECTORS' REMUNERATION DURING 2009-10:

The Non-Executive Directors are paid Sitting Fees for attending the Meetings of the Board/Committees (except the Share Transfer Committee) and a commission upto 3% of the net profits as determined under Sections 349 and 350 of the Companies Act, 1956 for the financial year ended 31st March, 2009, in pursuance of General Body Resolution. Within the overall limit, the extent and proportion in which the Commission is to be distributed amongst the Directors is determined by the Board.

The details of remuneration paid during the year 2009-10 to the Directors are given in Table-2 on Pg. No. 7.

### 8. GENERAL BODY MEETINGS:

- i) Location & time, where last three AGMs were held:  
On 12-9-2009 at 11.30 A.M.  
On 15-9-2008 at 11.30 A.M. &  
On 24-9-2007 at 11.30 A.M.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

At: H.T. Parekh Convention Centre,  
AMA Premises, ATIRA Campus,  
Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

- ii) Whether the Special Resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise: No postal ballot had been conducted.
- iii) Whether Special Resolutions are proposed to be conducted through postal ballot: No
- iv) Procedure for postal ballot: Not applicable

### 9. 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 company at large:

During the year 2009-10, the Company had no materially significant related party transactions which were considered to have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the Notes on Accounts in the Annual Report.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital market, during the last three years:  
None.

### 10. MEANS OF COMMUNICATION

- 1) Half-yearly report sent to each household of shareholders: No
- 2) Quarterly Results:  
Which newspapers normally published in:  
Economic Times, English and Gujarati Editions of Ahmedabad  
Any website where displayed: No
- 3) Whether it also displays official news releases and the presentations made to institutional investors or to the Analysts : No
- 4) Whether MD & A is a part of the Annual Report or not : Yes.

### 11. GENERAL SHAREHOLDERS INFORMATION

#### (a) 30<sup>th</sup> Annual General Meeting

**Date & Time** : 13th August, 2010  
at 11.30 A.M.

**Venue** : Banquet Hall,  
Karnavati Club Ltd.,  
S. G. Highway,  
Ahmedabad - 380 058.

#### (b) Financial Calendar (tentative) :

**Financial Year** :

1st April to 31st March

**Financial Reporting for :**

**Quarter ending 30-06-2010:**

By 14<sup>th</sup> August, 2010.

**Quarter ending 30-09-2010 :**

By 14<sup>th</sup> November, 2010.

**Quarter ending 31-12-2010 :**

By 14<sup>th</sup> February, 2011

**Year ending 31-3-2011 :**

Audited Results by 30<sup>th</sup> May, 2011.

#### (c) Book Closure Dates for AGM & Dividend :

12th July, 2010 to 21st July, 2010  
(both days inclusive)

#### (d) Dividend Payment Date :

From 30<sup>th</sup> August, 2010

#### (e) Unpaid Dividend :

- (i) The Company has transferred unclaimed dividends for and upto the Financial Year ended on 30th September, 1994 to the General Revenue Account of the Central Government and thereafter upto the financial year ended on 31st March, 2002 to the Investor Education and Protection Fund (IEPF), as required under Section 205A(5) of the Companies Act, 1956, within the prescribed time limit. No claim shall lie in respect of dividend transferred to IEPF. The members, therefore, may submit their claims, if any, for unclaimed dividends for and upto the financial year ended 30th September, 1994, to the Registrar of Companies, Gujarat, at C.G.O. Complex, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, AHMEDABAD - 380 013.

**TABLE NO. 2 (Reference : Para 7)**

Name of Director	Remuneration paid during 1-4-2009 to 31-3-2010			No. of Shares held as on 31-3-2010 <sup>@</sup>
	Sitting Fee Rs.	Commission Rs.	Total Rs.	
Shri Pradeep R. Mafatlal	4,000	3,70,000	3,74,000	26,456
Shri Russi Jal Taraporevala	4,000	1,85,000	1,89,000	32
Shri Arun P. Patel	22,000	1,85,000	2,07,000	175
Shri Rajesh Jaykrishna	18,000	1,85,000	2,03,000	156
Late Shri Rozal J. Mehta	4,000	1,85,000	1,89,000	—
Shri Chetan J. Parikh	4,000	1,85,000	1,89,000	19,098
Shri Kersi J. Pardiwalla	10,000	1,85,000	1,95,000	300
Shri Madhusudan J. Mehta	6,000	N. A.	6,000	434

<sup>@</sup> Including Joint Holding.



- (ii) Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year ended on 31st March, 2003 and thereafter which remains unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education & Protection Fund' of the Central Government.

The likely schedule indicating the deadline for claiming the unpaid dividends before its transfer to IEPF is given hereunder:

**TABLE NO. : 3**

<b>Dividend No.</b>	<b>For the Year ended</b>	<b>Date of Declaration</b>	<b>Last Date for Claiming Unpaid Dividend</b>
22nd	31-3-2003	26-9-2003	25-9-2010
23rd	31-3-2004	06-9-2004	05-9-2011
24th	31-3-2005	05-9-2005	04-9-2012
25th	31-3-2006	25-9-2006	24-9-2013
26th	31-3-2007	24-9-2007	23-9-2014
27th	31-3-2008	15-9-2008	14-9-2015
28th	31-3-2009	12-9-2009	11-9-2016

Members who have not encashed/received their Dividend Warrants so far for the Financial Year ended on 31st March, 2003, or any subsequent years are requested to make their claim to the Company for obtaining fresh/duplicate Dividend Payment Instrument/s.

**It may again be noted that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.**

**(f) NECS Mandate/Bank Mandate**

As per the directives of SEBI, the Company has been using the ECS of RBI at certain locations for payment of dividend to those members, who gave their Mandate under which the investor's bank account was directly credited with dividend amount.

As per RBI's notification, w.e.f. 1st October, 2009, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS). NECS operates on the new and unique bank account number allotted by banks post-implementation of Core Banking Solutions (CBS). Pursuant to the implementation of CBS, your bank account number may have undergone a change, which is required to be communicated by you to the Share Department of the Company, in the format provided in the Annual Report.

To the Members who have not opted for ECS, the Company requests them 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 to send your instructions/NECS Mandate/Bank Mandate on or before 31st July, 2010**, to facilitate receipt of dividend. Please note that if your new Bank Account is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned

**(g) Rationalisation of Odd Lot Holdings**

As most of the Members are holding shares of the Company in odd lots, the Company shall endeavour to assist them either in disposal of such odd lots or for forming a lot by acquiring the balance number of shares at or near the full market value; even by absorbing some costs associated with its administration. Members desirous of availing the assistance may write or contact Shri Girish R. Shah, Company Secretary, at the Registered Office at Ahmedabad. Members having multiple folios, either in identical name(s) or in different pattern of name(s) at common address or otherwise may also approach him for transfer/consolidation of all such shareholding into one folio to facilitate better service. Members who have lost their original Share Certificate(s) are also requested to contact or write to him for issue of duplicate Share Certificate(s).

**(h) Nomination Facility**

Members can avail the 'Nomination Facility' by filing Form 2-B, in duplicate, with the Company. Blank Forms will be supplied on request.

**(i) Share Transfer System**

All the transfers received are processed at the Company's in-house Share Department at the Registered Office of the Company; approved by the Share Transfer Committee, which normally meets twice in a month; registered and returned between 15 to 30 days from the date of receipt, provided that the documents lodged are in order.

**(j) PAN Requirement 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.

**(k) Address for Correspondence:**

601, Popular House, Ashram Road,  
Ahmedabad - 380 009.  
Phone No. 079 66310887, 26580067  
Fax: 079 26589557  
E-mail : smiff.invcare@yahoo.co.in

**(l) Listing on the Stock Exchanges and Stock Code:**

Listed on Ahmedabad and Bombay Stock Exchanges. Listing fees for 2010-11 of both these Exchanges have been paid. Stock Code No. on ASE is 51710 and that of BSE is 506105 under 'Z' Category. The transactions are in Physical Form on trade to trade basis. Categorization under 'Z' is for want of demat facility, the reasoning of which is given elsewhere in this report.

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

(m) (i) Distribution of Shareholding as on 31st March, 2010 :

TABLE NO. 4

Sr. No.	Number or range of Shares held	Shareholders			Shares held		
		Number	% to total Number	Cumulative %	Number	% to total Number	Cumulative %
1.	1	631	1.78	1.78	631	0.02	0.02
2.	2	8914	25.15	26.93	17828	0.45	0.47
3.	3	167	0.47	27.40	501	0.01	0.48
4.	4	11270	31.80	59.20	45080	1.14	1.62
5.	5	69	0.19	59.39	345	0.01	1.63
6.	6 to 10	2954	8.34	67.73	21174	0.53	2.16
7.	11 to 20	4861	13.71	81.44	73993	1.86	4.02
8.	21 to 49	2517	7.10	88.54	81472	2.05	6.07
9.	50	613	1.73	90.27	30650	0.77	6.84
10.	51 to 100	1615	4.56	94.83	125672	3.17	10.01
11.	101 to 500	1462	4.12	98.95	330559	8.33	18.34
12.	501 to 1000	183	0.52	99.47	131518	3.32	21.66
13.	1001 & more	187	0.53	100.00	3108497	78.34	100.00
		35443	100.00		3967920	100.00	

(ii) Shareholding Pattern as at 31st March, 2010 :  
TABLE NO. 5

Category	No. of Shares	% of Shareholding
<b>A) PROMOTERS' HOLDING:</b>		
- Corporate Bodies	18,53,441	46.71
- Individuals	67,168	1.69
<b>SUB - TOTAL</b>	<b>19,20,609</b>	<b>48.40</b>
<b>B) PUBLIC HOLDING :</b>		
(i) INSTITUTIONAL INVESTORS:		
a) Mutual Funds	1,882	0.05
b) Banks, Financial Institutions, and Insurance Companies	4,34,131	10.94
(ii) Private Corporate Bodies	2,07,010	5.22
(iii) Others	14,04,288	35.39
<b>SUB-TOTAL</b>	<b>20,47,311</b>	<b>51.60</b>
<b>GRAND TOTAL (A + B)</b>	<b>39,67,920</b>	<b>100.00</b>

(n) Stock Market Data :

(i) The particulars of High-Low prices and the volume during each month of 2009-10 on the Bombay Stock Exchange Ltd. (BSE) are given hereunder:

Month	High Rs.	Low Rs.	Volume (Nos.)
<b>2009</b>			
April	-	-	-
May	-	-	-
June	58.60	48.30	450
July	70.65	55.70	1600
August	70.35	66.85	1200
September	81.00	70.00	1150
October	77.00	70.25	500
November	80.40	70.25	1100
December	93.00	83.00	5353
<b>2010</b>			
January	92.90	88.00	250
February	90.45	87.00	100
March	95.85	91.30	550
<b>Fiscal-2010</b>	<b>95.85</b>	<b>48.30</b>	<b>12253</b>

(ii) Share Price Performance in comparison to broad based indices - BSE Sensex.

During the financial year 2009-10, the Company's share price over-performed the benchmark indice. The Company's share price increased by 98.65% as compared to an increase of 80.54% in BSE Sensex.

There were no transactions in the Equity Shares of any company on the Ahmedabad Stock Exchange Ltd. (ASE) during the year under report.

(o) Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd., 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380009, Tel. No. 079-26465179, Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in), is being appointed as the Registrar and Share Transfer Agent. Necessary formalities for its appointment and transfer of shareholders data will be completed shortly. Necessary disclosure for the information of the members will be made on completing the formalities. Thereafter all correspondence for transfer of shares, demat request and other communication in relation thereto shall be required to be addressed to it at its above address.

(p) Dematerialisation of Shares and Liquidity

The Company has so far not extended the demat facility for the following reasons:

Around 89% members are still holding shares in odd lots i.e. below 50 shares. The holding of more than 59% members is below 5 shares. Holding and trading shares in demat has its own cost which would prove disproportionately large in case of majority of the members. The Company is consistently endeavouring to rationalize the holding pattern by appealing and assisting its members in consolidating the multiple folios, disposal of odd lots or formation of lots by acquiring balance number of shares in their holding and is now establishing the connectivity with NSDL and/or CDSL.

On behalf of the Board  
**Pradeep R. Mafatlal**  
Chairman

Mumbai  
Dated : 3<sup>rd</sup> June, 2010

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
**Stanrose Mafatlal Investments and Finance Limited**

We have examined the compliance of conditions of corporate governance by STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED (the Company) for the year ended on 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 a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the corporate governance as stipulated in Clause 49 of 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, C.C. CHOKSHI & CO.**  
*Chartered Accountants*  
*(Registration No. 101876W)*  
**H.P. SHAH**  
*Partner*  
*Membership No. 33331*

*Ahmedabad*  
*3<sup>rd</sup> June, 2010*

**AUDITORS' REPORT**

TO THE MEMBERS OF  
**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

1. We have audited the attached Balance Sheet of STANROSE MAFATLAL INVESTMENTS AND FINANCE 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) 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 as follows:
  - (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 it appears from our examination of those books;

- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance 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 of the Company for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, 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 C. C. CHOKSHI & CO.**  
*Chartered Accountants*  
*(Registration No. 101876W)*  
**H. P. SHAH**  
*Partner*  
*Membership No. 33331*

*Ahmedabad,*  
*Dated : 3rd June, 2010*

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph (3) of our Report of even date)

1. Having regard to the nature of the Company's business/activities/result, clauses (ii), (viii), (x) and (xiii) of CARO are not applicable.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

2. 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 were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) There has not been any substantial disposal of fixed assets during the year.
3. 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.
4. 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 shares, fixed assets and the sale of shares. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered; and
- (b) Transactions during the year exceeding the value of Rupees Five lacs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
7. 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.
8. According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Wealth Tax, 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, Wealth Tax, 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) Details of dues of Income-tax which have not been deposited as on 31st March, 2010, on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Income Tax	ITAT	2004-05 1998-99 & 1990-91	22,69,395
	Income Tax	CIT (Appeals)	2006-07 1996-97 & 1995-96	1,01,54,058

9. During the year Company had no dues to financial institution or bank or debenture holders.
10. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
12. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
13. In our opinion and according to the information and explanations given to us, the Company has not raised any term loan during the year under review and hence question of its application does not arise.
14. 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 the Company has not raised any short term funds.
15. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
16. During the year, the company has not raised money by Public Issue and hence question of disclosure and verification of end use of money does not arise;
17. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

*For C. C. CHOKSHI & CO.*  
*Chartered Accountants*  
*(Registration No. 101876W)*

**H. P. SHAH**

Ahmedabad,  
Dated : 3<sup>rd</sup> June, 2010

*Partner*  
*Membership No. 33331*

**STANROSE MAFATLAL****BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule No.	Rupees	Rupees	Rupees	As at 31-3-2009 Rupees
<b>I SOURCES OF FUNDS :</b>					
<b>Shareholders' Funds :</b>					
(a) Share Capital .....	1		<b>3,96,79,200</b>		3,96,79,200
(b) Reserves and Surplus .....	2		<b>38,17,18,649</b>		29,92,61,859
				<b>42,13,97,849</b>	<b>33,89,41,059</b>
<b>II APPLICATION OF FUNDS :</b>					
<b>Fixed Assets :</b>					
Gross Block .....			<b>2,36,94,988</b>		2,19,06,500
Less: Depreciation .....			<b>1,41,31,261</b>		1,42,76,850
				<b>95,63,727</b>	76,29,650
<b>Investments</b> .....	4			<b>20,10,72,092</b>	19,73,56,505
<b>Deferred Tax Assets</b> .....				<b>6,59,034</b>	6,49,431
<b>Current Assets, Loans and Advances :</b>					
(a) Current Assets .....	5	<b>15,62,72,566</b>			14,50,96,453
(b) Loans and Advances .....	6	<b>8,38,47,267</b>			97,19,286
			<b>24,01,19,833</b>		15,48,15,739
<b>Less : Current Liabilities and Provisions :</b>					
(a) Liabilities .....	7	<b>62,59,257</b>			46,17,315
(b) Provisions .....	8	<b>2,37,57,580</b>			1,68,92,951
			<b>3,00,16,837</b>		2,15,10,266
<b>Net Current Assets</b> .....				<b>21,01,02,996</b>	13,33,05,473
Total .....				<b>42,13,97,849</b>	<b>33,89,41,059</b>
Significant Accounting Policies and Notes on Accounts .....	14				

As per our separate Report of even date attached.

For C.C. CHOKSHI & CO.  
Chartered Accountants  
H. P. SHAH  
Partner

Ahmedabad, Dated : 3rd June, 2010

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

K. J. PARDIWALLA  
Director

G. R. SHAH  
Company Secretary

Mumbai, Dated : 3rd June, 2010

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

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

	Schedule No.	Rupees	Rupees	Previous Year Rupees
<b>INCOME :</b>				
Dividend Income .....			1,12,32,993	1,26,26,767
Profit from Trading in Shares and Securities .....	9		40,77,156	27,47,960
Interest Income .....	10		52,39,586	16,02,823
Profit on Sale of Investments .....			12,60,98,428	5,14,87,688
Other Income .....	11		2,31,584	1,80,924
			<u>14,68,79,747</u>	<u>6,86,46,162</u>
<b>EXPENDITURE :</b>				
Payments to and Provisions for Employees .....	12	41,24,775		48,00,762
Administrative and other expenses .....	13	1,61,23,342		1,25,12,798
Depreciation .....		14,73,103		18,03,525
			<u>2,17,21,220</u>	<u>1,91,17,085</u>
Profit before Taxes .....			12,51,58,527	4,95,29,077
Provision for Taxation :				
Current Tax (Including Wealth Tax) .....		1,95,00,000		45,00,000
Deferred Tax .....		(9,603)		11,500
Fringe Benefit Tax .....		-		2,60,000
			<u>1,94,90,397</u>	<u>47,71,500</u>
Short Provision for Taxation in respect of earlier years (net) .....			-	3,73,479
Profit after Taxes .....			10,56,68,130	4,43,84,098
Balance brought forward from Previous Year .....			4,98,63,859	3,57,27,699
Amount available for appropriation .....			<u>15,55,31,989</u>	<u>8,01,11,797</u>
<b>APPROPRIATIONS :</b>				
Transfer to Reserve U/S.45 IC of RBI Act,1934 .....			2,18,00,000	90,00,000
Proposed Dividend .....			1,98,39,600	1,38,87,720
Tax on Dividend .....			33,71,740	23,60,218
Transfer to General Reserve No. I .....			1,10,00,000	50,00,000
Balance carried to Balance Sheet .....			9,95,20,649	4,98,63,859
Total .....			<u>15,55,31,989</u>	<u>8,01,11,797</u>
Basic and Diluted EPS (In Rupees) .....			26.63	11.19
Significant Accounting Policies and Notes on Accounts .....	14			

As per our separate Report of even date attached.

For C.C. CHOKSHI & CO.  
Chartered Accountants  
H. P. SHAH  
Partner

Ahmedabad, Dated : 3rd June, 2010

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

K. J. PARDIWALLA  
Director

G. R. SHAH  
Company Secretary

Mumbai, Dated : 3rd June, 2010

**STANROSE MAFATLAL****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Rupees	For the year ended 31st March, 2010 Rupees	Rupees	For the year ended 31st March, 2009 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS .....		12,51,58,527		4,95,29,077
Adjustments for :				
Depreciation .....	14,73,103		18,03,525	
(Profit)/Loss on Sale of Fixed Assets .....	(6,584)		21,790	
Profit on Sale of Investments .....	(12,60,98,428)		(5,14,87,688)	
		<u>(12,46,31,909)</u>		<u>(4,96,62,373)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES .....</b>		<b>5,26,618</b>		<b>(1,33,296)</b>
Adjustments for :				
Trade and Other Receivables .....	33,58,164		(4,07,93,100)	
Trade Payables .....	15,43,170		14,42,839	
Sale of Investments .....	15,26,22,235		9,23,49,840	
Purchase of Investments .....	(3,02,39,394)		(2,53,10,159)	
		<u>12,72,84,175</u>		<u>2,76,89,420</u>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>12,78,10,793</b>		<b>2,75,56,124</b>
Direct Taxes Paid (Net of refund) .....		(41,99,726)		(46,04,960)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>		<b>12,36,11,067</b>		<b>2,29,51,164</b>
EXTRAORDINARY ITEMS .....		—		—
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b><u>12,36,11,067</u></b>		<b><u>2,29,51,164</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Investment in Subsidiary .....	—		9,00,000	
Purchase of Fixed Assets .....	(35,62,393)		(69,750)	
Transfer / Sale of Fixed Assets .....	1,61,797		2,000	
		<u>(34,00,596)</u>		<u>8,32,250</u>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b><u>(34,00,596)</u></b>		<b><u>8,32,250</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings .....		—		—
Repayment of other Borrowings .....		—		—
Dividend Paid (Including Dividend Tax) .....		(1,62,47,938)		(1,39,26,804)
<b>NET CASH USED IN FINANCING ACTIVITIES .....</b> (C)		<b><u>(1,62,47,938)</u></b>		<b><u>(1,39,26,804)</u></b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS.....</b> (A+B+C)		<b>10,39,62,533</b>		<b>98,56,610</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR .....</b>		<b>2,29,11,394</b>		<b>1,30,54,784</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR .....</b>		<b><u>12,68,73,927</u></b>		<b><u>2,29,11,394</u></b>
<b>NET CHANGES AS DISCLOSED ABOVE ....</b>		<b><u>10,39,62,533</u></b>		<b><u>98,56,610</u></b>

**Notes :**

- Cash and cash equivalents as at the end of the Year:

Cash on hand .....	2,80,504	2,31,100
Balances with Scheduled Banks		
- In Current Accounts .....	12,65,88,423	2,26,75,294
Balances with Other Banks		
- In Fixed Deposit Accounts .....	5,000	5,000
<b>Total</b>	<b><u>12,68,73,927</u></b>	<b><u>2,29,11,394</u></b>
- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

3. Previous year's figures have been re-grouped and re-arranged wherever necessary.

As per our separate Report of even date attached.

For C.C. CHOKSHI & CO.  
Chartered Accountants  
H. P. SHAH  
Partner

Ahmedabad, Dated : 3rd June, 2010

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman  
K. J. PARDIWALLA  
Director

G. R. SHAH  
Company Secretary

Mumbai, Dated : 3rd June, 2010

### SCHEDULES 1 TO 14 FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

		As at 31-3-2009 Rupees	Rupees		As at 31-3-2009 Rupees	Rupees
<b>Schedule 1 :</b>				<b>Schedule 2 :</b>		
<b>SHARE CAPITAL :</b>				<b>RESERVES AND SURPLUS :</b>		
<b>Authorised :</b>				<b>Share Premium Account :</b>		
50,00,000 Equity Shares of Rs.10 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>		Balance as per last Balance Sheet.	<u>9,91,98,000</u>	<u>9,91,98,000</u>
<b>Issued, Subscribed and Paid-up :</b>				<b>Reserve U/S.45 IC of RBI Act, 1934:</b>		
39,67,920 Equity Shares of Rs.10 each.	<u>3,96,79,200</u>	<u>3,96,79,200</u>		Balance as per last Balance Sheet.	<u>4,92,00,000</u>	<u>4,02,00,000</u>
The above Shares include:				Add : Amount transferred from Profit and Loss Account.	<u>2,18,00,000</u>	<u>90,00,000</u>
(1) 6,61,320 Equity Shares of Rs.2.50 each of the aggregate value of Rs.16,53,300 allotted as fully paid Bonus Shares by Capitalisation of General Reserves and consolidated into the then existing 6,61,320 Equity Shares of Rs.7.50 each of the aggregate value of Rs.49,59,900 consequentially raising the nominal and paid-up value of each Equity Share to Rs.10.					<u>7,10,00,000</u>	<u>4,92,00,000</u>
(2) 13,22,640 Equity Shares of Rs.10 each of the aggregate value of Rs.1,32,26,400 allotted as fully paid Bonus Shares by capitalisation of General Reserves.				<b>General Reserve No. I :</b>		
				Balance as per last Balance Sheet.	<u>9,50,00,000</u>	<u>9,00,00,000</u>
				Add : Amount transferred from Profit and Loss Account	<u>1,10,00,000</u>	<u>50,00,000</u>
					<u>10,60,00,000</u>	<u>9,50,00,000</u>
				<b>General Reserve No. II :</b>		
				Balance as per last Balance Sheet.	<u>60,00,000</u>	<u>60,00,000</u>
				<b>Surplus in Profit and Loss Account.</b>	<u>9,95,20,649</u>	<u>4,98,63,859</u>
				Total.	<u><u>38,17,18,649</u></u>	<u><u>29,92,61,859</u></u>

#### Schedule 3 :

FIXED ASSETS :	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1-4-2009	Additions	Deductions/ Adjust- ments	Total as at 31-3-2010	Total Upto 1-4-2009	For the year	Deductions/ Adjust- ments	Total as at 31-3-2010	Net Value as at 31-3-2010	Net Value as at 31-3-2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Buildings .....	55,55,099	—	—	55,55,099	33,49,446	1,10,282	—	34,59,728	20,95,371	22,05,653
Vehicles .....	1,11,59,661	35,39,093	17,73,905	1,29,24,849	77,16,503	9,71,955	16,18,692	70,69,766	58,55,083	34,43,158
Furniture, Fixtures & Office Equipments. ....	51,91,740	23,300	—	52,15,040	32,10,901	3,90,866	—	36,01,767	16,13,273	19,80,839
<b>TOTAL .....</b>	<b>2,19,06,500</b>	<b>35,62,393</b>	<b>17,73,905</b>	<b>2,36,94,988</b>	<b>1,42,76,850</b>	<b>14,73,103</b>	<b>16,18,692</b>	<b>1,41,31,261</b>	<b>95,63,727</b>	<b>76,29,650</b>
<i>Previous Year. ....</i>	<i>2,20,12,125</i>	<i>69,750</i>	<i>1,75,375</i>	<i>2,19,06,500</i>	<i>1,26,24,910</i>	<i>18,03,525</i>	<i>1,51,585</i>	<i>1,42,76,850</i>	<i>76,29,650</i>	

Note: Cost of Ownership Tenement in Co-operative Society is grouped under the head "Buildings" and it includes Cost of Shares of the said Society of the face value of Rs.250 (Previous Year Rs.250).



# STANROSE MAFATLAL

## Schedule 4 : INVESTMENTS (LONG TERM) :

Sr. Particulars No.	Face Value per Share / Warrant		At Cost or Book Value Rupees	As at 31-3-2009	
	Rupees	Number		Number	At Cost or Book Value Rupees
<b>1. In Equity Shares of Subsidiary Company (At Cost) (Unquoted) :</b>					
Stanrose Mafatlal Lubechem Limited .....	5	43,98,216	—	43,98,216	—
(In Provisional Liquidation)					
<b>Total</b>	<b>(1)</b>				
<b>2. In Shares of other Companies (At Cost) :</b>					
<b>i. In Equity Shares :</b>					
<b>(a) Quoted (Fully paid) :</b>					
1. Asian Electronics Ltd. ....	5	1,600	3,61,320	1,600	3,61,320
2. Bajaj Auto Ltd. ....	10	1,140	7,05,952	1,140	7,05,952
3. Bajaj Holdings & Investment Limited .....	10	1,140	18,04,809	1,140	18,04,809
4. Bajaj Finserv Limited .....	5	1,140	6,83,591	1,140	6,83,591
5. BASF India Ltd. ....	10	9,200	19,51,644	9,200	19,51,644
6. Binani Industries Limited .....	10	2,700	5,04,130	2,700	5,04,130
7. Biocon Limited .....	5	900	2,15,396	1,200	2,87,195
8. Bongaion Refinery & Petrochemicals Ltd.	10	—	—	2,500	2,14,466
9. Brabourne Enterprises Limited .....	10	3,000	4,79,602	3,000	4,79,602
10. Clariant Chemicals (India) Limited .....	10	3,900	13,06,717	3,900	13,06,717
11. Colgate Palmolive (India) Ltd. ....	1	9,500	28,18,809	9,500	28,18,809
12. Cummins India Limited .....	2	—	—	9,800	15,37,132
13. Eicher Motors Limited .....	10	1,725	6,63,729	2,000	7,69,540
14. EL Forge Limited. ....	10	15,000	16,22,968	15,000	16,22,968
15. Futura Polyesters Ltd. ....	10	78,300	9,92,940	78,300	9,92,940
16. Finolex Industries Limited .....	10	20,000	11,46,022	—	—
17. Gabriel India Limited .....	1	30,100	7,15,289	30,100	7,15,289
18. GlaxoSmithKline Pharmaceuticals Ltd. ....	10	—	—	2,100	13,72,928
19. GTL Infrastructure Limited .....	10	3,100	2,12,678	3,100	2,12,678
20. Gujarat State Petronet Ltd. ....	10	4,700	1,70,545	4,700	1,70,545
21. GVK Power & Infrastructure Limited .....	1	1,500	50,394	1,500	50,394
22. HDFC Bank Limited .....	10	—	—	10,100	71,62,497
23. Hindalco Industries Ltd. ....	1	5,200	8,78,345	5,200	8,78,345
24. Hindustan Construction Co. Limited .....	1	2,500	5,61,750	2,500	5,61,750
25. Hindustan Motors Ltd. ....	10	12,500	5,59,339	12,500	5,59,339
26. Hindustan Unilever Limited .....	1	—	—	29,500	2,49,503
27. Housing Development Finance Corp. Ltd.	10	80,800	85,40,318	1,01,000	1,06,75,409
28. ITC Limited .....	1	23,700	41,51,536	23,700	41,51,536
29. Infrastructure Development Finance Co. Ltd.	10	35,900	25,00,152	35,900	25,00,152
30. Indraprastha Gas Limited .....	10	8,500	10,80,047	8,500	10,80,047
31. Indian Oil Corporation Limited .....	10	540	2,14,466	—	—
32. Infosys Technologies Limited .....	5	—	—	2,770	14,30,492
33. J. K. Tyre and Industries Limited .....	10	3,750	3,02,773	3,750	3,02,773
34. J. B. Chemicals & Pharmaceuticals Ltd ....	2	5,000	5,63,823	5,000	5,63,823
35. Jindal Stainless Limited .....	2	1,000	1,42,251	1,000	1,42,251
36. KEC International Limited .....	10	1,333	6,09,565	1,333	6,09,565
37. KPIT Cummins Infosystems Limited .....	2	3,500	6,01,055	3,500	6,01,055
38. KSB Pumps Limited. ....	10	—	—	11,000	13,42,955
39. Lakshmi Energy and Foods Limited .....	2	26,800	45,91,655	26,800	45,91,655
40. Larsen & Toubro Limited. ....	2	—	—	2,920	17,35,724
41. Mahanagar Telephone Nigam Ltd. ....	10	8,800	14,79,665	8,800	14,79,665
42. Manugraph India Limited .....	2	1,000	2,61,177	1,000	2,61,177
43. Maruti Suzuki India Limited .....	5	1,000	8,47,512	1,000	8,47,512
44. National Aluminium Company Limited .....	10	4,000	10,69,499	4,000	10,69,499
45. Nestle India Limited. ....	10	—	—	10,000	31,83,092
46. NTPC Limited .....	10	2,000	5,34,160	2,000	5,34,160

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**Schedule 4 : (Contd.)**

Sr. Particulars No.	Face Value per Share / Warrant		At Cost or Book Value Rupees	As at 31-3-2009	
	Rupees	Number		Number	At Cost or Book Value Rupees
47. Oil and Natural Gas Corporation Limited .	10	3,175	22,34,953	3,175	22,34,953
48. Piramal Life Sciences Limited .....	10	350	35,900	350	35,900
49. Piramal Health Care Limited .....	2	—	—	3500	2,73,315
50. Prithvi Information Solutions Limited .....	10	1,500	5,37,075	1,500	5,37,075
51. Reliance Communications Limited .....	5	650	2,07,771	225	96,679
52. Reliance Industries Limited .....	10	20,750	46,01,367	10,375	46,01,367
53. RPG Life Sciences Ltd. ....	8	3,000	95,047	3,000	95,047
54. Shyam Telecom Limited .....	10	—	—	402	5,287
55. Sintex Industries Limited .....	2	1,200	5,86,322	1,200	5,86,322
56. Sonata Software Limited .....	1	25,000	7,29,654	25,000	7,29,654
57. Standard Industries Limited .....	5	1,10,32,979	12,85,88,953	1,01,28,600	10,21,20,223
58. State Bank of India .....	10	4,680	52,30,245	4,680	52,30,245
59. Sun Pharma Advance Research Co. Ltd ..	1	1,300	1,19,763	1,300	1,19,763
60. Tata Chemicals Limited .....	10	—	—	33,000	30,27,362
61. Tata Power Company Limited .....	10	—	—	3,325	7,30,871
62. Tata Steel Limited .....	10	8,133	21,94,884	6,219	12,76,700
63. TRF Ltd. ....	10	4,532	9,56,392	4,700	19,83,690
64. Videocon Industries Limited .....	10	1,000	6,57,810	1,000	6,57,810
65. Virat Industries Limited .....	10	34,250	3,42,500	34,250	3,42,500
66. Wipro Ltd. ....	2	4,900	10,56,019	4,900	10,56,019
67. Zicom Electronics Security Systems Ltd. .	10	10,500	25,40,784	10,500	25,40,784
<b>Total 2(I)(a)</b>			<b>19,66,11,062</b>		<b>19,33,58,191</b>
<b>(b) Unquoted (Fully Paid) :</b>					
(1) Bengal & Assam Company Limited ...	10	291	3,47,932	291	3,47,932
(2) Federal-Mogul Bearings India Limited	10	582	55,290	582	55,290
(3) Innovassynth Investments Limited ....	10	35,589	5,84,908	35,589	5,84,908
(4) Sarju International Limited .....	10	25,000	11,25,000	25,000	11,25,000
(5) SIP Technologies and Exports Ltd. ...	10	3,000	8,64,000	3,000	8,64,000
(6) Stanrose Fund Management Services Limited (Formerly Known as Anudeep Holdings Limited)	100	1,000	1,00,000	1,000	1,00,000
<b>Total 2(I)(b)</b>			<b>30,77,130</b>		<b>30,77,130</b>
<b>II. Preference Shares Quoted (Fully Paid) :</b>					
Tata Steel Limited - Cumulative Convertible Preference Shares .....	100	—	—	11,492	9,18,184
<b>Total 2(II)</b>			<b>—</b>		<b>9,18,184</b>
<b>III. In Warrants Quoted (Fully Paid) :</b>					
HDFC Limited - Warrants .....	10	3330	13,80,900	—	—
<b>Total 2(III)</b>			<b>13,80,900</b>		<b>—</b>
<b>Total 2</b>			<b>20,10,69,092</b>		<b>19,73,53,505</b>
<b>3. In Government Securities Unquoted:</b>					
National Savings Certificate .....	—	—	3,000	—	3,000
<b>Total 3</b>			<b>3,000</b>		<b>3,000</b>
<b>Total. (1 to 3) .....</b>			<b>20,10,72,092</b>		<b>19,73,56,505</b>
<b>NOTES :</b>					
(a) Aggregate Value of Quoted Investments:					
Cost/Book Value .....			<b>19,79,91,962</b>		<b>19,42,76,375</b>
Market Value .....			<b>74,32,58,316</b>		<b>34,48,49,204</b>
(b) Aggregate Value of Unquoted Investments:					
Cost/Book Value. ....			<b>30,80,130</b>		<b>30,80,130</b>

	Rupees	Rupees	As at 31-3-2009 Rupees
<b>Schedule 5 :</b>			
<b>CURRENT ASSETS :</b>			
1. Stock in Trade (As per Annexure).....		<b>2,80,36,543</b>	12,12,92,663
2. Cash on hand.....		<b>2,80,504</b>	2,31,100
3. Balances with Scheduled Banks :			
In Current Accounts [Including Rs. 19,59,501/- (Previous Year Rs.16,47,363/-) in respect of Unpaid Dividend Accounts] ..	<b>12,65,88,423</b>		2,26,75,294
Fixed Deposit Account.....	<b>5,000</b>		5,000
		<b>12,65,93,423</b>	2,26,80,294
4. Sundry Debtors (Unsecured and considered good) :			
Outstanding for a period of less than six months .....		<b>13,62,096</b>	8,92,396
Total .....		<b>15,62,72,566</b>	14,50,96,453

**ANNEXURE TO SCHEDULE 5 : Statement of Stock in Trade as at 31st March, 2010 :**

Sr. No.	Name of the Company	Face Value Rs.	Closing Stock	
			Qty.	Rs.
<b>(a) Equity Shares (Quoted) :</b>				
1.	Aban Offshore Limited	2	100	1,64,015
2.	Bharti Airtel Limited	5	1,025	3,46,717
3.	Escorts Limited	10	300	43,864
4.	Everest Kanto Cylinder Ltd.	2	300	57,769
5.	GMR Infrastructure Ltd.	10	800	54,317
6.	Hindustan Unilever Ltd.	1	900	2,33,961
7.	Hindustan Oil Exploration Company Ltd.	10	8,200	4,88,720
8.	Infosys Technologies Ltd.	5	50	66,205
9.	Jaiprakash Associates Ltd.	2	512	83,187
10.	Larsen & Toubro Ltd.	2	55	90,160
11.	MRF Limited	10	69	1,22,296
12.	Nestle India Limited	10	147	2,28,791
13.	Reliance Communication Ltd.	5	350	61,110
14.	Reliance Industries Ltd.	10	112	1,24,030
15.	Reliance Natural Resources Limited	5	800	62,334
16.	Reliance Power Ltd.	10	850	1,27,288
17.	State Bank of India	10	50	1,17,535
18.	Zandu Realty Ltd.	100	100	4,59,680
	Total (a)			<b>29,31,979</b>
	Market Value			<b>46,81,870</b>
	Cost as at 31-3-2009			23,09,163
	Market Value as at 31-3-2009			13,93,568

<b>(b) Units of Mutual Funds :</b>				
1.	HDFC Long Term Equity - Growth Plan	10	3,00,000	22,53,600
2.	J. M. Money Manager Fund - Super Plan - Growth	10	85,161	10,83,021
3.	Kotak Liquid Fund - Regular Plan - Growth	10	75,059	12,89,986
4.	Kotak Equity Arbitrage Fund - Dividend	10	93,795	10,00,000
5.	Kotak Floater Long Term - Growth	10	1,32,904	19,37,319
6.	Kotak Quarterly Interval Plan - Dividend	10	50,000	5,00,000

7.	SBI SHF Ultra Short Term Fund - Growth	10	6,85,535	81,06,250
8.	ICICI Flexi Income Premium - Growth	10	3,466	5,91,147
9.	Birla Sunlife Dynamic Bond Fund - Growth	10	2,04,682	30,00,000
10.	Birla Sunlife Savings Fund Retail - Growth	10	1,63,852	28,00,000
11.	Bharti AXA Treasury Advt. Fund - Dividend	1,000	2,000	20,00,139
12.	Bharti AXA Equity Fund Regular - Growth	10	2,197	37,691
13.	Axis Treasury Advantage Fund - Growth	1,000	502	5,05,411
	Total (b)			<b>2,51,04,564</b>
	Market Value			<b>2,74,19,480</b>
	Cost as at 31-3-2009			11,87,62,387
	Market Value as at 31-3-2009			11,83,97,765
	Lower of Cost or Market Value			<b>2,80,36,543</b>
	Previous Year			12,12,92,663
	Total Cost Rs.			<b>2,80,36,543</b>
	Total Market Value Rs.			<b>3,21,01,350</b>
	Cost as at 31-3-2009			12,25,72,880
	Market Value as at 31-3-2009			12,13,00,560

As at 31-3-2009  
Rupees Rupees

**Schedule 6 :  
LOANS AND ADVANCES :  
(Unsecured, Considered good)**

1.	Intercompany Deposits	7,00,00,000	—
2.	Advances recoverable in cash or in kind or for value to be received. [Includes due from Officers Rs. 83,027/- (Previous Year Rs.1,05,234/-). Maximum amount due from Officers at any time during the year Rs. 1,05,234/- (Previous Year Rs.1,26,487/-)]	30,78,093	31,49,838

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

	As at 31-3-2009	
	Rupees	Rupees
3. Sundry Deposits	82,325	82,325
4. Advance payment of Income-tax & Tax Deducted at Source.	4,35,30,779	2,01,02,985
Less : Provision for Taxation (Including Wealth Tax & FBT)	3,28,43,930	1,36,15,862
	1,06,86,849	64,87,123
Total	8,38,47,267	97,19,286

**Schedule 7 :**

**CURRENT LIABILITIES :**

1. Sundry Creditors : .....	42,99,756	29,69,952
2. * Investor Education & Protection Fund Unclaimed Dividend * .....	19,59,501	16,47,363
Total .....	62,59,257	46,17,315

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

**Schedule 8 :**

**PROVISIONS :**

1. Proposed Dividend .....	1,98,39,600	1,38,87,720
2. Distribution Tax on Dividend .....	33,71,740	23,60,218
3. Provision for Employee benefits .....	5,46,240	6,45,013
Total .....	2,37,57,580	1,68,92,951

**Schedule 9 :**

	Rupees	Previous Year Rupees
<b>PROFIT FROM TRADING IN SHARES &amp; SECURITIES:</b>		
Sales .....	20,75,62,660	61,85,53,416
Closing Stock .....	2,80,36,543	12,12,92,663
(A)	23,55,99,203	73,98,46,079
Less: Opening Stock. ....	12,12,92,663	6,37,28,576
Purchases .....	11,02,29,384	67,33,69,543
(B)	23,15,22,047	73,70,98,119
(A-B)	40,77,156	27,47,960

**Schedule 10 :**

**INTEREST INCOME :**

(1) Interest on Inter-Corporate Deposits and Loans (Gross) (Tax deducted at source Rs. 4,98,962/- Previous Year Rs. 3,35,828/-) .....	51,26,625	14,82,029
(2) Interest on Fixed Deposits with Banks (Gross) (Tax deducted at source Rs. NIL Previous Year Rs. 22,395) .....	—	1,08,715
(3) Interest From Investments (Gross) (Tax deducted at source		

	Rupees	Previous Year Rupees
Rs. 2,152 Previous Year Rs. NIL) .....	1,07,880	—
(4) Other Interest .....	5,081	12,079
Total .....	52,39,586	16,02,823

**Schedule 11 :**

**OTHER INCOME :**

(1) Profit on Sale of Fixed Assets (Net) .....	6,584	—
(2) Brokerage received on Finance Business .....	34,210	4,064
(3) Miscellaneous Income. ....	1,90,790	1,76,860
Total .....	2,31,584	1,80,924

**Schedule 12 :**

**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :**

(1) Salaries, Bonus and other Allowances .....	32,68,752	38,20,146
(2) Contribution to Provident, Superannuation & Gratuity Funds .....	5,01,750	6,97,776
(3) Staff Welfare Expenses .....	3,54,273	2,82,840
Total .....	41,24,775	48,00,762

**Schedule 13 :**

**ADMINISTRATIVE & OTHER EXPENSES :**

(1) Leave & Licence Fees .....	38,95,820	39,58,789
(2) Rates and Taxes .....	94,320	1,03,075
(3) Repairs and Maintenance : (a) Buildings .....	2,69,806	1,900
(b) Others .....	3,82,411	2,71,952
	6,52,217	2,73,852
(4) Insurance .....	1,49,146	1,45,007
(5) Printing, Stationery, Postage, Telephone & Advertisement .....	9,64,179	9,59,353
(6) Directors' Fees .....	72,000	54,000
(7) Commission to Directors ...	38,00,000	14,80,000
(8) Bank Charges .....	43,153	1,20,597
(9) Donations .....	9,50,000	4,75,000
(10) Legal & Professional Charges .....	17,65,367	14,56,634
(11) Motor Car Expenses .....	11,48,226	14,17,449
(12) Electricity Charges .....	5,47,930	5,51,031
(13) Loss on Sale of Fixed Assets .....	—	21,790
(14) Miscellaneous Expenses ..	20,40,984	14,96,221
Total .....	1,61,23,342	1,25,12,798

**Schedule 14 :  
SIGNIFICANT ACCOUNTING POLICIES  
AND NOTES ON ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Company has applied provisions of the Companies Act, 1956 for preparation of its financial statements. The Financial statements are prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. Accounting policies not specifically referred to otherwise have been followed consistently.

**b. USE OF ESTIMATES:**

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**c. REVENUE RECOGNITION:**

- i. Revenue is recognized when no significant uncertainty as to the measurability or collectability exists.
- ii. Dividend income is accounted for when the right to receive payment is established.

**d. INVESTMENTS:**

Long Term Investments are stated at cost less any provision for diminution in value other than temporary.

**e. STOCK-IN-TRADE:**

Current Investments in Shares and Securities, etc, acquired in the ordinary course of business are stated as Stock-in-trade. Stock-in-trade for each category is valued at cost or Fair Value / Net Asset Value (NAV) whichever is lower.

**f. FIXED ASSETS:**

Fixed Assets are stated at historical cost less accumulated depreciation.

**g. IMPAIRMENT OF FIXED ASSETS:**

Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an assets' net selling price and value in use.

**h. DEPRECIATION:**

Depreciation on fixed assets is provided on Written Down Value (WDV) method at the rates and in the manner provided for under Schedule XIV of the Companies Act, 1956.

**i. RETIREMENT BENEFITS:****Gratuity :**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Gratuity Trust Fund created by the Company. The Company Accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting Rate relevant to Government Securities at the Balance Sheet Date.

**Provident Fund :**

Retirement Benefits in the form of Provident Fund and Family Pension Fund, which are defined benefit contribution schemes, are charged to the Profit and Loss Account for the period, in which the contributions to the respective funds accrue.

**Leave Encashment :**

Cost of earned leave of the employee is estimated at the end of every year and expensed to the Profit and Loss Account for the period in which such leave was earned as Personnel Costs.

**j. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Liabilities which are of contingent nature are not provided but disclosed at their estimated amount in the Notes to the Accounts.

Contingent assets are neither recognized nor disclosed in financial statements.

**k. GENERAL RESERVE II:**

The Company sets apart adequate amount for contingencies for doubtful debts and advances as also for the diminution in the value of long-term investments and such amount is credited to General Reserve II.

**l. TAXATION:**

Provision for Current Income tax is made on the basis of estimated taxable income for the period. Deferred Tax is recognized, subject to consideration of prudence, on timing differences between taxable income and accounting income for the period that originates in one period and is capable of reversal in one or more subsequent periods.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

m. **OPERATING LEASE:**

Lease where significant portion of risk and reward of ownership is retained by the Lessor is classified as Operating Lease and rentals thereon are charged to Profit and Loss Account.

3. The Company is primarily engaged in the business of Intercompany Investments, Capital Market Activities and Financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.

II. **NOTES FORMING PART OF ACCOUNTS**

1. Contingent Liabilities not provided for in respect of disputed demand of Income-tax for which the Company is either in appeal or the effect of the Orders in appeal awaited, is of Rs. 1,54,14,310/- (Previous Year Rs. 1,51,23,453/-).

2. The Company is not holding and accepting deposits as also not being systemically important, the Prudential Norms on Credit and Investment Concentration as also Capital Adequacy are not applicable to it. The Company has complied with all other norms on Income Recognition, Accounting Standards, Assets Classification, Provisioning for Bad and Doubtful Debts and other related matters as prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

4. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date.

5. **Deferred Tax**

**Deferred Tax Asset**

	<b>Current Year</b>	<i>Previous Year</i>
	<b>Rupees</b>	<i>Rupees</i>

Deferred tax Assets at the year end comprise of timing differences on account of:

Depreciation .....	4,55,618	4,38,650
Leave Encashment .....	2,03,416	2,10,781
<b>Total Deferred Tax Asset .....</b>	<b>6,59,034</b>	<b>6,49,431</b>

6. Payment to Auditors (Including Service-tax) :

	<b>Current Year</b>	<i>Previous Year</i>
	<b>Rs.</b>	<i>Rs.</i>
(a) As Auditors .....	66,180	66,180
(b) For Tax Audit .....	22,060	22,060
(c) For Certification Work .....	52,393	56,180
(d) As Expenses .....	330	—

7. Amount remitted during the year in foreign currency on account of dividend :

The Company has not made any remittance in foreign currencies on account of dividends and does not have information as to the extent to which remittance in foreign currencies on account of dividends may have been made by or on behalf of non-resident shareholders. The Particulars of dividends paid during the year to non-resident shareholders are as under:

	<b>2008-2009</b>	<i>2007-2008</i>
Year to which Dividend relates .....	<b>2008-2009</b>	<i>2007-2008</i>
Number of Non-Resident Shareholders .....	<b>25</b>	<i>26</i>
Number of Equity Shares held by them on which Dividend was due .....	<b>17,810</b>	<i>36,908</i>
Amount in rupees remitted to Bankers or Power-holders in India of the Non-resident Shareholders .....	<b>Rs. 62,335</b>	<i>Rs. 1,10,724</i>

8. Computation of net profit as per Section 349 read with Section 309[5] and Section 198 of the Companies Act, 1956:

	<b>Current Year</b>	<i>Previous Year</i>
	<b>Rs.</b>	<i>Rs.</i>
Profit before Taxation as per Profit and Loss Account .....	<b>12,51,58,527</b>	<i>4,95,29,077</i>
Add:		
Directors' Fees .....	<b>72,000</b>	<i>54,000</i>
Commission to Directors .....	<b>38,00,000</b>	<i>14,80,000</i>
Managerial Remuneration .....	<b>—</b>	<i>9,70,792</i>
<b>Net Profit .....</b>	<b>12,90,30,527</b>	<i>5,20,33,869</i>
Commission to Non-Executive Directors @ 3 % of Net Profit .....	<b>38,70,916</b>	<i>15,61,016</i>
Restricted by the Board of Directors to .....	<b>38,00,000</b>	<i>14,80,000</i>

9. The Company has an Operating Lease rented facility at Mumbai with a lock-in-period of 60 months from the date of its commencement. The future rent payments for the facility are as under :

	<b>Current Year</b>	<i>Previous Year</i>
	<b>Rs.</b>	<i>Rs.</i>
Minimum future lease payments		
– Not later than one year .....	<b>14,85,000</b>	<i>35,64,000</i>
– Later than one year and not later than five years .....	<b>—</b>	<i>13,66,200</i>
<b>Total .....</b>	<b>14,85,000</b>	<i>49,30,200</i>

## STANROSE MAFATLAL

	Current Year Rs.	Previous Year Rs.
10. Managerial Remuneration U/S. 198 of the Companies Act, 1956 to the Managing Director :		
(i) Salary & Allowances .....	—	4,00,000
(ii) Contribution to Provident Fund and Superannuation Scheme .....	—	94,500
(iii) Perquisites.....	—	4,76,292
Total Managerial Remuneration .....	—	9,70,792
11. (a) The accruing liability on account of gratuity (retirement benefit in the nature of defined benefits plan) is accounted as per the Accounting Standard 15 (Revised 2005) "Employee Benefits". Status of the Gratuity as required under AS 15 (Revised) :		
(d) Actuarial (Gain) / Loss	48,132	1,99,513
(e) Benefit Paid	(2,61,208)	(9,57,382)
(f) Present Value of Obligation at the year end	21,84,363	21,35,840
<b>IV. Changes in the fair value of plan assets during the year :</b>		
(a) Opening fair value of plan assets	20,62,883	27,95,760
(b) Expected return	1,93,476	2,18,639
(c) Actuarial Gain / (Loss)	(28,178)	5,866
(d) Contributions by employer	2,69,608	—
(e) Benefit Paid	(2,61,208)	(9,57,382)
(f) Present Value of Obligation at the year end	22,36,581	20,62,883
<b>V. Actuarial Assumptions ....</b>		
(a) Discount Rate (per annum)	7.82%	7.45%
(b) Annual Increase in Salary Cost	6.00%	6.00%
(c) Expected Return on Plan Assets	9.00%	9.00%
To fund the obligations under the gratuity plan, contributions are made to the Gratuity Fund created by the Company which invests the fund in the following manner :		
Sr. No.	Particulars	Percentage Investments
1.	Insurer Managed Funds	35.99 %
2.	Central Government Securities	18.81 %
3.	State Government Securities	24.46 %
4.	Public Financial Institutions	16.52 %
5.	CBI Special Deposit Scheme	4.22 %
	Total	100.00 %
(b)	The liability for leave encashment and compensated absence as at the year end is Rs. 5,98,458/- (Previous Year Rs. 5,72,056/-).	
<b>As at 31-3-2010</b>	<b>As at 31-3-2009</b>	
<b>Rs.</b>	<b>Rs.</b>	
<b>I. Components of Employers' Expense recognised in Profit and Loss Account</b>		
(a) Current Service Cost	94,576	97,226
(b) Interest Cost	1,67,023	1,93,893
(c) Expected Return on Plan Assets	(1,93,476)	(2,18,639)
(d) Net Actuarial loss (gain) recognised in period.	76,310	1,93,647
<b>Total Expense / (Gain) recognised in Profit and Loss Account</b>	<b>1,44,433</b>	<b>2,66,127</b>
<b>II. Net Asset / (Liability) recognised in Balance Sheet:</b>		
(a) Present value of Obligation	21,84,363	21,35,840
(b) Fair Value of Plan Assets	22,36,581	20,62,883
(c) Present value of Unfunded Obligation	(52,218)	72,957
(d) (Asset) / Liability recognised in Balance Sheet	(52,218)	72,957
<b>III. Changes in Defined Benefit Obligations (DBO) during the year :</b>		
(a) Opening Present Value of Obligation	21,35,840	26,02,590
(b) Current Service Cost	94,576	97,226
(c) Interest Cost	1,67,023	1,93,893
<b>12. Related Party Disclosures :</b>		
<b>(A) Name of related parties and description of relationship :</b>		
(1) Subsidiary Company	Stanrose Mafatlal Lubechem Limited (In Provisional Liquidation)	
(2) Significant holding by Stanrose Mafatlal Investments and Finance Limited (SMIFL)	Standard Industries Limited Stanrose Fund Management Services Limited	
(3) Controlling Companies having significant holding in SMIFL	Shanudeep Pvt. Ltd. Sheiladeep Investments Pvt. Ltd. Vinadeep Investments Pvt. Ltd. Gagalbhai Investments Pvt. Ltd. Pradeep Investments Pvt. Ltd.	
(4) Enterprises Controlled by SMIFL	SMIFL Officers' Superannuation Scheme SMIFL Officers' Provident Fund SMIFL Employees' Provident Fund SHL Employees' Gratuity Fund	

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**(B) Related Party Transactions:**

Amount in Rupees

	Companies with significant holding by SMIFL & Controlling Companies		Enterprises Controlled by the Company		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>(A) Volume of Transactions :</b>						
<b>Expenses:</b> Leave and Licence Fees & Other Services:						
Shanudeep Private Limited	38,95,820	39,58,789	—	—	38,95,820	39,58,789
<b>Sale of Investments:</b>						
Sheiladeep Investments Private Ltd.	—	2,25,000	—	—	—	2,25,000
Vinadeep Investments Private Ltd.	—	2,25,000	—	—	—	2,25,000
Gagalbhai Investments Private Ltd.	—	2,25,000	—	—	—	2,25,000
Pradeep Investments Private Ltd.	—	2,25,000	—	—	—	2,25,000
SMIFL Employees' P. F.	—	—	2,22,577	—	2,22,577	—
SMIFL Officers' P. F.	—	—	7,86,938	—	7,86,938	—
SMIFL Officers' S. S.	—	—	2,97,398	—	2,97,398	—
SHL Employees' Gratuity Fund	—	—	1,73,433	—	1,73,433	—
<b>Purchase of Investments:</b>						
SMIFL Officers' Superannuation Scheme	—	—	—	15,01,330	—	15,01,330
<b>Dividend Received:</b>						
Standard Industries Limited	50,64,300	50,36,250	—	—	50,64,300	50,36,250
<b>Dividend Paid:</b>						
Shanudeep Private Limited	34,30,273	29,40,234	—	—	34,30,273	29,40,234
Sheiladeep Investments Private Ltd.	13,66,040	11,62,455	—	—	13,66,040	11,62,455
Vinadeep Investments Private Ltd.	14,69,545	12,59,610	—	—	14,69,545	12,59,610
Gagalbhai Investments Private Ltd.	1,52,645	1,22,118	—	—	1,52,645	1,22,118
Pradeep Investments Private Ltd.	63,420	54,360	—	—	63,420	54,360
<b>(B) Balances at the Year end</b>	—	—	—	—	—	—

Besides the above transactions, Remuneration of Key Management Personnel for Previous year was Rs. 21,97,920/- (including retirement benefits and monetary value of perquisites), of which Rs. 4,92,084 were outstanding as at 31st March, 2009.

13. **Disclosure about Loans/Advances and Investments in own shares by the Company, in its Subsidiaries and Associates etc. as required under Clause No. 32 of the Listing Agreement.**

Amount in Rupees

	Outstanding Balance as on 31-3-2010	Maximum Outstanding during the year
Loans and Advances in the nature of loan where there is:		
(a) No repayment schedule or repayment beyond 7 years	—	—
(b) No Interest or Interest below Section 372A of the Companies Act, 1956:		
Loans to Employees (in ordinary course of business)	55,912	1,66,425

Notes :

- (i) None of the Loanees named hereinabove has made any investment in the Equity Capital of the Company except negligible holding by some of the employees.
- (ii) During the year under report there are no other transactions of Loan/Advances etc. referred above with Subsidiary, Associates or with firms/companies in which Directors are interested.

14. **The details of the working of Basic and Diluted Earning Per Share :**

		Current Year	Previous Year
Profit after Tax	Rs.	10,56,68,130	4,43,84,098
No. of Equity Shares	No.	39,67,920	39,67,920
Basic and Diluted EPS	Rs.	26.63	11.19
Nominal Value of each Share	Rs.	10	10



## STANROSE MAFATLAL

15. Disclosure of details as required under Para 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Amount in Rupees

Particulars	Amount overdue	Amount outstanding
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**LIABILITIES SIDE**

(1) Loans and Advances availed by the Company (Inclusive of interest accrued thereon but not paid) :	—	—
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**ASSETS SIDE**

(2) Break-up of Loans and Advances (Including bills receivable) (Other than those included in (3) below) :		
(a) Secured		—
(b) Unsecured	7,02,42,215	
(3) Break-up of Leased Assets, Stock on hire and other assets counting towards AFC activities :		
(a) Leased Assets		—
(b) Stock on hire		—
(c) Other Loans counting towards AFC activities		—

As at  
31/03/10

(4) Break-up of Investments:		
<b>Current Investments:</b>		
(a) Quoted :		
Equity Shares	29,31,979	
Govt. Securities	—	
Other Securities	—	
(b) Unquoted :		
Units of Mutual Funds	2,51,04,564	

**Long Term investments :**

(a) Quoted :		
Equity Shares	19,66,11,062	
Preference Shares	—	
Other Investment	13,80,900	
(b) Unquoted :		
(i) Equity Shares	30,77,130	
(ii) Government Securities	3,000	
(5) Borrower group-wise classification of assets, financed as in (2) & (3) above :		

Amount in Rupees

Category	Amount net of provisions		
	Secured	Unsecured	Total
(a) Related Parties :			
(i) Subsidiaries	—	—	—
(ii) Companies in the same group	—	—	—
(iii) Other related parties	—	—	—
(b) Other than related parties	7,02,42,215	7,02,42,215	7,02,42,215
<b>Total</b>	<b>7,02,42,215</b>	<b>7,02,42,215</b>	<b>7,02,42,215</b>

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
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Amount in Rupees

Category	Market Value/Break up or Fair Value or NAV	Book Value (Net of Provisions)	
Related Parties :			
(a) Companies in the same group		—	—
(b) Other related parties	42,42,18,043	12,85,88,952	
Other than related parties	35,43,92,291	10,05,19,683	
<b>Total</b>	<b>77,86,10,334</b>	<b>22,91,08,635</b>	

(7) Information about NPA		NIL
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16. Previous Years' figures have been regrouped wherever necessary.

Signatures to Schedules 1 to 14

As per our separate Report of even date attached.

For C.C. CHOKSHI & CO.  
Chartered Accountants  
H. P. SHAH  
Partner

Ahmedabad, Dated : 3rd June, 2010

For and on behalf of the Board

PRADEEP R. MAFATLAL  
Chairman

K. J. PARDIWALLA  
Director

G. R. SHAH  
Company Secretary

Mumbai, Dated : 3rd June, 2010

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**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

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**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956. :**

**I. Registration Details**

Registration No. (CIN)	:	<b>L65910GJ1980PLC003731</b>
State Code	:	<b>04</b>
Balance Sheet Date	:	<b>31-03-2010</b>

**II. Capital Raised during the Year**

(Amount Rs. in Thousands)

Public Issue	:	<b>NIL</b>
Rights Issue	:	<b>NIL</b>
Bonus Issue	:	<b>NIL</b>
Private Placement	:	<b>NIL</b>

**III. Position of Mobilisation and Deployment of Funds**

(Amount Rs. in Thousands)

Total Liabilities	:	<b>4,51,415</b>
Total Assets	:	<b>4,51,415</b>

**Sources of Funds**

Paid-up Capital	:	<b>39,679</b>
Reserves and Surplus	:	<b>3,81,719</b>
Secured Loans	:	<b>NIL</b>
Unsecured Loans	:	<b>NIL</b>

**Application of Funds**

Net Fixed Assets	:	<b>9,564</b>
Investments	:	<b>2,01,072</b>
Net Current Assets	:	<b>2,10,103</b>
Accumulated Losses	:	<b>NIL</b>

**IV. Performance of the Company**

(Amount Rs. in Thousands)

Total Income	:	<b>1,46,880</b>
Total Expenditure	:	<b>21,721</b>
Profit before Tax	:	<b>1,25,158</b>
Profit after Tax	:	<b>1,05,668</b>
Earnings Per Share (Rs.)	:	<b>26.63</b>
Dividend Rate :	:	<b>50% i. e. Rs. 5.00 Per Share</b>

**V. Generic Names of Principal Products/Services of the Company (as per monetary terms)**

Item Code No.	:	Not Applicable
Product Description	:	1. Investments, Finance and Capital Market related activities 2. Corporate Lending / Financing

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PRADEEP R. MAFATLAL  
*Chairman*

For and on behalf of the Board  
K. J. PARDIWALLA  
*Director*

G. R. SHAH  
*Company Secretary*

Mumbai, Dated : 3rd June, 2010

**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Members of the Company will be held on Friday, the 13th August, 2010 at 11.30 A.M. at 'Banquet Hall', Karnavati Club Limited, S. G. Highway, Ahmedabad - 380 058, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account and Cash Flow Statement for the financial year ended on that date of the Company and the Reports of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares. The Board of Directors has recommended a Dividend of Rs.5/- per Equity Share of Rs.10/- each, including a Special Dividend of Rs.1.50 per share for higher profits in the current year.
3. To appoint a Director in place of Shri Pradeep R. Mafatlal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Arun P. Patel, who retires by rotation and is eligible for re-appointment.
5. To re-appoint M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

6. **Appointment of Shri Madhusudan J. Mehta as a Director of the Company.**

To consider and if thought fit, to pass with or without modifications as may be permissible, the following:

**AS AN ORDINARY RESOLUTION:**

"RESOLVED THAT Shri Madhusudan J. Mehta, appointed as an Additional Director of the Company by the Board of Directors on 12th September, 2009 pursuant to the provisions of Article 139 of the Articles of Association read with Section 260 of the Companies Act, 1956 (the Act) and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing from Members under the provisions of Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company pursuant to Section 255 and other applicable provisions, if any, of the Act, whose period of office shall be liable to retire by rotation."

7. **Keeping of register and index of members and debentureholders.**

To consider and if thought fit, to pass with or without modifications as may be permissible, the following:

**AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 163(1) and other applicable provisions, if any, of the Companies Act, 1956, ('the Act') approval be and is hereby accorded to keep the Register of Members, Index of Members, Register and Index of Debenture holders, in respect of shares and Debentures issued by the

Company from time to time and copies of all Annual Returns prepared under Sections 159 and 160 together with the copies of all certificates and documents required to be annexed thereto in terms of Section 161 of the Act, with the Registrar and Share Transfer Agent of the Company for the time being, currently, M/s. Link Intime India Pvt. Ltd. having their office presently at 211, Sudarshan Complex, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380009, or at such other place where the office of such Registrar and Transfer Agent of the Company may be situated within the local limit (postal or municipal, whichever is wider and permissible) of the City of Ahmedabad."

**Notes:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER. The Proxy form, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- (b) Members are requested to notify to the Company any change in their address.
- (c) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- (d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (e) Corporate Members intending to send their Authorized Representatives are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.
- (f) Details required to be furnished in terms of Clause No. 49 of the Listing Agreements with the Stock Exchanges relating to the Corporate Governance in respect of the Directors being proposed for appointment at the ensuing Annual General Meeting of the Company, are given hereunder:

**1. Shri Pradeep R. Mafatlal :**

Shri Pradeep R. Mafatlal, aged 45 years, has obtained Davar's Diploma in Commerce (D.D.Com.) and has also completed a Diploma Course in Business Management. He belongs to the illustrious House of Mafatlals. He is associated with the Company as a Director for the last over eighteen years and as its Chairman since last six years. He is a member of the Shareholders'/Investors' Grievance Committee of the Company as also of Standard Industries Limited.

He is also the Chairman of Standard Industries Limited, Mafatlal Enterprises Ltd., Umiya Real Estate Pvt. Ltd. and Umiya Balaji Real Estate Pvt. Ltd. He is the Chairman and Managing Director of Shanudeep Pvt. Ltd. and Vice Chairman of Sheiladeep Investments Pvt. Ltd. and Vinadeep Investments Pvt. Ltd. He is also a Member of the Managing Committee of Indian Merchants' Chamber.

He is holding 26,456 Equity Shares of Rs.10/- each in the Company.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### 2. Shri Arun P. Patel :

Shri Arun P. Patel, aged 75 years, is a well known industrialist. Soon after his graduation in Science, he joined in the running of a textile mill formerly known as The Bharat Vijay Mills Ltd. and now as Sintex Industries Limited. Under the guidance and stewardship of Shri Arunbhai as a Vice Chairman of Sintex Industries Limited, its Plastic Division has emerged as the world's largest manufacturer of Plastic tanks besides expanding and strengthening of its original Textile Division.

Besides Sintex Industries Limited, he is also on the Board of Barmagnet Investment Pvt. Ltd. and Fuji Finance Pvt. Ltd.

He is on the Board of the Company since 4th August, 1981.

He is the member of the Audit Committee of the Company.

He is holding 175 Equity Shares of Rs.10/- each in the Company.

### 3. Shri Madhusudan J. Mehta :

Details in respect of Shri Madhusudan J. Mehta have been furnished in the Explanatory Statement annexed to the Notice. These details are not given here so as to avoid repetition.

- (g) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed herewith.

**Registered Office:** By Order of the Board  
Popular House, **G. R. SHAH**  
Ashram Road, Company Secretary  
AHMEDABAD - 380 009.

Mumbai, Dated: 3<sup>rd</sup> June, 2010

### ANNEXURE TO THE NOTICE:

#### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Item Nos. 6 & 7 contained in the accompanying Notice dated 3<sup>rd</sup> June, 2010.

#### In respect of Item No. 6

##### Appointment of Shri Madhusudan J. Mehta as a Director:

For strengthening the Board, the Board of Directors at its Meeting held immediately after the Annual General Meeting on 12th September, 2009, had appointed Shri Madhusudan J. Mehta as an Additional Director with effect from that date.

Shri Mehta, aged 65 years, is a Bachelor of Commerce and Law. He possesses long and diverse experience in the field of Finance, Taxation and Administrative affairs. He is associated with various business enterprises of Mafatlal Group for more than four decades, holding various responsible positions. Since last more than ten years, he is with Shanudeep Pvt. Ltd., one of our Promoter Companies, holding the position of its Manager (Administration).

He is also on the Board of Pradeep Investments Pvt. Ltd., Gagalbhai Investments Pvt. Ltd., Sheiladeep Investments Pvt. Ltd., Sheilaja Enterprises Pvt. Ltd., Surcot Trading Pvt. Ltd., Stanrose Fund Management Services Ltd. Stanrose Mafatlal Lubechem Ltd. (In Provisional

Liquidation), Umiya Balaji Real Estate Pvt. Ltd. and Umiya Real Estate Pvt. Ltd. and a Trustee in various Public Charitable Trusts.

He is holding 434 equity shares of Rs.10/- each in the Company.

Shri Mehta is holding office as an Additional Director upto the ensuing Annual General Meeting in accordance with the provisions of Article 139 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956.

A Notice along with a Deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956, has been received from Members proposing his candidature for the office of a Director. Having regard to the wide experience and background of Shri Mehta, the Board felt it in the interest of the Company to appoint him as a Director of the Company. The Board, therefore, recommends the resolution for the approval of the Members.

None of the Directors of the Company except Shri Mehta is concerned or interested in the proposed Resolution.

#### In respect of Item No. 7

##### Keeping of Register and Index of Members and Debentureholders:

As required under the provisions of the Companies Act, 1956, certain documents such as the Register and Index of Members and Debenture-holders and other related documents, etc. are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated with the approval of the Members to be accorded by a Special Resolution.

Link Intime India Pvt. Ltd., presently having its office at 211, Sudarshan Complex, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380009 is being appointed as the Registrar and Share Transfer Agents (RTA) of the Company, who shall provide Depository Related Services for the shares held in demat mode and also act as the Share Transfer Agent for the shares held in physical segment. Hence the approval of the members is sought in terms of Section 163(1) of the Companies Act, 1956, to facilitate keeping such documents with any company or firm, who may be the RTA of the Company for the time being and at such office that may be designated by the RTA within the limits of the City of Ahmedabad, in which case, intimation giving details of such change would be duly provided to the shareholders for keeping the aforesaid Registers and Documents at the premises of the RTA, as stated in the Resolution.

A copy of the proposed Resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Act.

The Board, therefore, recommends the resolution for the approval of the Members.

None of the Directors of the Company is concerned or interested in the proposed Resolution.

**Registered Office:** By Order of the Board  
Popular House, **G. R. SHAH**  
Ashram Road, Company Secretary  
AHMEDABAD - 380 009.

Mumbai, Dated: 3<sup>rd</sup> June, 2010



# STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.

Regd. Office:- Popular House, 6th Floor, Ashram Road, Ahmedabad - 380 009.  
Tel. No. 079-26580067/96. Email: smifl.invcare@yahoo.co.in

June 3, 2010

## IMPORTANT COMMUNICATION FOR DIVIDEND PAYMENT

Dear Shareholder(s),

### **Sub: Payment of Dividend through National Electronic Clearing Services (NECS).**

As per the directives of Securities and Exchange Board of India (SEBI), the Company has extended the facility of Electronic Clearing Service (ECS) of Reserve Bank of India (RBI) at certain locations to those members, who gave their Mandate to the Company. 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 the Banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS includes 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 the banks post implementation of the Core Banking Solution (CBS). Pursuant to the implementation of CBS, your Bank Account number may have undergone a change, which is required to be communicated by you to the Company's Share Department, in the format printed overleaf.

Accordingly, if your bank account number has undergone a change pursuant to implementation of CBS and 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 Share Department in the format mentioned overleaf.

If you have not 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 your specimen registered with the Company) and are communicated on or before 31st July, 2010 to facilitate receipt of dividend.

Please note that if your new Bank Account Number is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned.

Assuring you of our best services at all times.

Yours faithfully,  
For, **STANROSE MAFATLAL  
INVESTMENTS AND FINANCE LIMITED**

**G. R. SHAH**  
COMPANY SECRETARY

Date : \_\_\_\_\_

Share Department,  
**STANROSE MAFATLAL  
INVESTMENTS AND FINANCE LTD.**  
Popular House, 6<sup>th</sup> Floor,  
Ashram Road,  
Ahmedabad - 380 009.

**FORM FOR NECS MANDATE/BANK MANDATE**

I/We ..... do hereby authorize Stanrose Mafatlal Investments and Finance Limited to: -

- ▶ Credit my dividend amount directly to my Bank Account as per details furnished below by National Electronic Clearing Service (NECS) - NECS Mandate \*
- ▶ 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. ....

No. of Shares held .....

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

I/we hereby declare that the particulars given above are correct and complete. I/we undertake to inform subsequent changes in the above particulars before the relevant Book Closure Dates.

I/we shall not hold the Company responsible if the NECS mandate cannot be implemented because of incomplete or incorrect information or for reasons beyond the control of the Company.

\_\_\_\_\_  
**Signature of Sole/First shareholder**  
(as per specimen lodged with the Company)

Notes :

1. Kindly note that NECS facility is currently available all over India.
2. For any clarifications, you may contact the Company's Share Department at Popular House, 6<sup>th</sup> Floor, Ashram Road, Ahmedabad.

# STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.

Registered Office : Popular House, Ashram Road, Ahmedabad-380 009.

## PROXY FORM

Regd. Folio No. .... No. of Shares held .....

I/We .....  
of .....

being a member/members of STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

hereby appoint ..... of

..... or failing him ..... of

..... as my/our proxy to vote for me/us and on my/our behalf at the

THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 13th August, 2010 at 11.30 A.M. or at any adjournment thereof.

Signed this ..... day of ..... 2010

Signature .....

Affix  
15 Paise  
Revenue  
stamp

**Note :** This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

# STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.

Registered Office : Popular House, Ashram Road, Ahmedabad-380 009.

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

**30th Annual General Meeting - August 13, 2010**

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company held at Banquet Hall, Karnavati Club Ltd. S. G. Highway, Ahmedabad-380 058 at 11.30 A.M.

Full name of Member (In Block Letters)	Reg. Folio No.
Full name of Proxy (In Block Letters)	No. of Shares held

Member's/Proxy's Signature .....





