

**STANROSE MAFATLAL
INVESTMENTS AND FINANCE LIMITED**



32ND
ANNUAL REPORT 2011-2012

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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AUDITORS		FINANCIAL ADVISOR
C. C. CHOKSHI & COMPANY <i>Chartered Accountants</i>		SHRI BHARAT N. DAVE
REGISTERED OFFICE		COMPANY SECRETARY
POPULAR HOUSE, ASHRAM ROAD AHMEDABAD-380 009 Email: info@stanroseinvest.com Website: www.stanroseinvest.com		SHRI GIRISH R. SHAH
SHARE TRANSFER AGENT		DEPUTY MANAGER (ACCOUNTS & TAXATION) {CFO as envisaged under Listing Agreement}
LINK INTIME INDIA PVT. LTD., Unit No. 303, 3rd Floor, Shopper's Plaza-V, Opp. Municipal Market, Behind Shopper's Plaza-II, Off. C.G.Road, Ahmedabad - 380 009. Tel. 079 26465179 Email: ahmedabad@linkintime.co.in Web site: www.linkintime.co.in		SHRI HARSHAD V. MEHTA
		BANKERS
		HDFC BANK LTD. IDBI BANK LTD. AXIS BANK LTD. CITI BANK, N.A.
		CORPORATE OFFICE
		VIJYALAXMI MAFATLAL CENTRE 57-A, DR. G. DESHMUKH MARG, MUMBAI-400 026
		LISTED ON : BSE
		DEMAT CODE : ISIN : INE441L01015

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.

Thirty-Second Annual General Meeting on 16th August, 2012 at 10.30 A.M. at 'Banquet Hall', Karnavati Club Limited, S. G. Highway, Ahmedabad - 380 058.

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Thirty-second Annual Report together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

	<i>(Rupees in Lacs)</i>	
	Current Year	<i>Previous Year</i>
	Rupees	<i>Rupees</i>
Total Income	752.83	<i>953.64</i>
Gross Profit	489.92	<i>729.46</i>
Less: Depreciation	17.94	<i>20.57</i>
Profit before Tax	471.98	<i>708.89</i>
Less: Provision for Taxation	70.01	<i>114.67</i>
Short Provision for taxation in respect of earlier years (Net)	—	<i>2.96</i>
Profit after Tax	401.97	<i>591.26</i>
Add: Profit brought forward from Previous Year	1175.88	<i>995.20</i>
Balance Available for Appropriations	1577.85	<i>1586.46</i>
Transfer to Reserve u/s. 45 IC of RBI Act, 1934	81.00	<i>120.00</i>
Transfer to General Reserve-I	41.00	<i>60.00</i>
Proposed Dividend	198.40	<i>198.40</i>
Tax on Dividend	32.18	<i>32.18</i>
Balance carried forward	1225.27	<i>1175.88</i>

DIVIDEND

Your Directors recommend a Dividend of Rs.5.00 per share (Previous Year Rs.5/-) on 39,67,920 Equity Shares of Rs.10 each aggregating to Rs.230.58 Lacs (inclusive of dividend tax) for the financial year ended on 31st March, 2012. If approved by the Shareholders at the forthcoming Annual General Meeting to be held on 16th August, 2012, the said dividend will be paid on 24th August, 2012, to (i) those shareholders whose names appear on the Register of Members of the Company on 16th July, 2012 and (ii) those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services Limited, for the purpose.

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

The total income for the year was Rs.752.83 Lacs as compared to Rs.953.64 Lacs in the previous year. Depreciation was lower at Rs.17.94 Lacs (Previous Year Rs.20.57 Lacs). The Provision for Taxation during the year was Rs.70.01 Lacs. Profit after tax was Rs.401.97

Lacs, which is lower as compared to Rs.591.26 Lacs in the previous year, mainly on account of lower booking of profit on sale of non-current investments by Rs.222.34 Lacs.

An amount of Rs.81.00 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45 IC of RBI Act, 1934 and an amount of Rs.41.00 Lacs was transferred to General Reserve I during the year under review

The Net Worth of the Company as at 31st March, 2012 stood at Rs.4746.05 Lacs as against Rs.4574.66 Lacs on 31st March, 2011.

Industry Structure and Developments

The NBFC industry in private sector in India is represented by a mix of a few large companies with nationwide 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.

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) 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 under Note No. 7 to Financial Statements of the Company for the year ended as at 31st March, 2012. The total worth of Company's Quoted and Unquoted Investments (including Stock-in-trade) as at 31st March, 2012 is Rs.5773.27 Lacs (Previous Year Rs.7228.39 Lacs) which is 69.37 % (Previous Year 124.71%) higher than related Book Value. The decrease in appreciation of Book Value of portfolio from 124.71% to 69.37% is mainly on account of overall decrease in the market capitalization, decrease in the market value of the shares of Standard Industries Limited, purchase of new shares at current rates and sale of low cost shares from Long-term Investment Portfolio.

During the year under report the Company:

- (a) has made net addition of Rs.794.35 Lacs to its Non-current Equity Investments against net divestment of Rs. 99.60 Lacs in the previous year
- b) booked a net profit of Rs. 484.31 Lacs on sale of Non-Current investments as against Rs.706.65 Lacs in the previous year.
- c) earned income by way of Dividend of Rs.140.78 Lacs against Rs.135.11 Lacs in the previous year which inter alia includes Rs.91.00 Lacs (Previous year Rs.82.75 Lacs) received from Standard Industries Ltd. and Rs.11.51 Lacs (Previous Year Rs.7.79 Lacs) on Units of Mutual Funds.

(ii) Trading in Securities

During the year under review, the Company made a profit from trading in securities of Rs.71.38 Lacs as against Rs.52.61 Lacs in the previous year. The increase is on account of booking of profit on redemption of Units of Mutual Funds.

(iii) Finance

During the year under report the Company earned interest income of Rs.56.15 Lacs as against Rs.58.89 Lacs in the previous year.

During the year under report, the Company provided an additional amount of Rs.128.83 Lacs as interest-free Inter corporate deposit (Previous Year Rs.465 Lacs) to Stan Plaza Limited (SPL), pursuant to the understanding entered amongst the Company, Standard Industries Limited (SIL) and SPL. Accordingly apart from the exposure taken in a real estate business company last year, SPL has also purchased land admeasuring around 104 Ares at Pune for and on behalf of the Company and SIL.

Opportunities and Threats

As various factors are posing constant threats and high volatility in the Capital Markets, it appears 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 17 as on 31st March, 2012.

DELISTING FROM ASE

As there were no transactions in the Equity Shares of the Company on the Ahmedabad Stock Exchange Ltd.(ASE) since long and as the facility to trade in Company's shares through the Bombay Stock Exchange Ltd.(BSE), having nationwide trading terminals is available, the Company has voluntarily delisted its shares from ASE with effect from 31st October, 2011, in pursuance of SEBI (Delisting of Equity Shares) Regulations,2009.

CORPORATE GOVERNANCE

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

FIXED DEPOSITS

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

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 31st March, 2012, 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 31st March, 2012 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 31st March, 2012 have been prepared on a 'going concern' basis.

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company in operation. Stanrose Mafatlal Lubechem Limited, a substantially owned subsidiary of the Company is in liquidation. The Winding up Petition No. 642 of 2006 filed by its creditors is disposed of by the High Court of Bombay vide its Order dated 10th June, 2011. Accordingly Stanrose Mafatlal Lubechem Limited stands wound-up. Now the Official Liquidator shall initiate the liquidation proceedings and complete the winding-up process of the said subsidiary.

Thus at the end of the financial year viz. 31st March, 2012 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 its statements/documents to the Company's Balance Sheet as at 31st March, 2012, 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, Shri Rajesh Jaykrishna, Shri Kersi J. Pardiwalla and Shri Madhusudan J. Mehta, 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 32nd AGM of the Company.

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
M. J. Mehta **K. J. Pardiwalla**
Director Director

Ahmedabad,
Dated : 27th April, 2012.

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

REPORT ON CORPORATE GOVERNANCE

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

Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance standards for listed companies vide Clause No. 49 of the Listing Agreement with the Stock Exchange. 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 Agreement. 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.

(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 2011-12 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.:

Four Board Meetings were held during the year on 30.5.2011, 1.8.2011, 14.11.2011 and 8.2.2012.

All relevant information such as statement of investments, finance, financial results, capital expenditure proposals, etc. as a matter of routine, was 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

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	2	No
2. Shri Russi Jal Taraporewala	Independent Non-Executive	2	3	1	No
3. Shri Arun P. Patel	Independent Non-Executive	1	—	4	No
4. Shri Rajesh Jaykrishna	Independent Non-Executive	—	—	3	No
5. Shri Chetan J. Parikh	Non-Independent Non-Executive	1	—	1	No
6. Shri Kersi J. Pardiwalla	Non-Independent Non-Executive	2 (Chairman of 1)	1	4	Yes
7. Shri Madhusudan J. Mehta	Non-Independent Non-Executive	2	—	4	Yes
8. Shri F. M. Pardiwalla	Independent Non-Executive	1	2	2	Yes

* Excludes Private and Foreign Companies.

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

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. The Code is placed on the website of the Company, www.stanroseinvest.com.

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:**

The Board of Directors has constituted an Audit Committee 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 role, term of reference, 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 four times. Shri F. M. Pardiwalla attended two meetings, Shri Arun P. Patel attended four meetings, Shri Rajesh Jaykrishna attended three meetings and Shri Russi Jal Taraporevala attended one.

(b) Shareholders'/Investors' Grievance Committee

The shareholders' / Investors' Grievance committee deals with the matter of redressal of shareholders and investors complaints for transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

- 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 2011-12, the Company received 6 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: 3 requests for transfer were pending for approval as on 31st March, 2012, which were approved on 2nd April, 2012.

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 COMPANY:

The Company does not have any Subsidiary Company in operation. Stanrose Mafatlal Lubechem Limited, a substantially owned subsidiary of the Company is in liquidation. The Winding up Petition No. 642 of 2006 filed by its creditors is disposed of by the High Court of Bombay vide its Order dated 10th June, 2011. Accordingly Stanrose Mafatlal Lubechem Limited stands wound-up. Now the Official Liquidator shall initiate the liquidation proceedings and complete the winding-up process of the said subsidiary.

7. DIRECTORS' REMUNERATION DURING 2011-12:

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, 2011, 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 2011-12 to the Directors are given in Table-2 on Pg. No. 8.

8. GENERAL BODY MEETINGS:

- i) Location & time, where last three AGMs were held:
On 3-9-2011 at 10.30 A.M. &
On 13-8-2010 at 11.30 A.M.
At: Banquet Hall,
Karnavati Club Ltd.
S. G. Highway, Ahmedabad – 380 058.
On 12-9-2009 at 11.30 A.M.
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

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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 2011-12, the Company had no materially significant related party transactions having potential conflict with the interest of the Company at large. The transactions with the related parties are disclosed in the Notes to Financial Statements 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:
Quarterly Results are published in Ahmedabad Editions of Economic Times, English and Gujarati or Business Standard - English and Jansatta - Gujarati and are also displayed on Company's website www.stanroseinvest.com. The website contains a separate dedicated section 'Investor Relations', where shareholders' information is available.
- 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

The Company is registered in the State of Gujarat. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1980PLC003731.

(a) 32nd Annual General Meeting

Date & Time : 16th August, 2012
at 10.30 A.M.

Venue : Banquet Hall,
Karnavati Club Ltd.,
S. G. Highway,
Ahmedabad - 380058.

(b) Financial Calendar (tentative) :

Financial Year :

1st April to 31st March

Financial Reporting for :

Quarter ending 30-06-2012:

By 14th August, 2012.

Quarter ending 30-09-2012 :

By 14th November, 2012.

Quarter ending 31-12-2012 :

By 14th February, 2013

Year ending 31-3-2013 :

Audited Results by 30th May, 2013.

(c) Book Closure Dates for AGM & Dividend :

16th July, 2012 to 25th July, 2012

(both days inclusive)

(d) Dividend Payment Date :

From 24th August, 2012

(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, 2004 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.

The aggregate amount lying in Unpaid Dividend Accounts as at 31st March, 2012 is Rs. 29,67,795/-.

During the year under review, the Company has credited Rs.1,56,124/- lying in unpaid/unclaimed dividend account for the year ended 31st March, 2004 to the IEPF. The cumulative amount transferred to IEPF upto 31st March, 2012 is Rs. 9,99,832/-.

- (ii) Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year ended on 31st

TABLE NO. 2 (Reference : Para 7)

Name of Director	Remuneration paid during 1-4-2011 to 31-3-2012			No. of Shares held as on 31-3-2012 [@]
	Sitting Fee Rs.	Commission (For 2010-11) Rs.	Total Rs.	
Shri Pradeep R. Mafatlal	15,000	11,00,000	11,15,000	29,016
Shri Russi Jal Taraporevala	15,000	1,50,000	1,65,000	32
Shri Arun P. Patel	40,000	1,50,000	1,90,000	175
Shri Rajesh Jaykrishna	30,000	1,50,000	1,80,000	156
Shri Chetan J. Parikh	10,000	1,50,000	1,60,000	19,098
Shri Kersi J. Pardiwalla	20,000	1,50,000	1,70,000	300
Shri Madhusudan J. Mehta	20,000	1,50,000	1,70,000	434
Shri F. M. Pardiwalla	20,000	1,50,000	1,70,000	14

[@] Including Joint Holding.

March, 2005 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

Dividend No.	For the Year ended	Date of Declaration	Last Date for Claiming Unpaid Dividend
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
29th	31-3-2010	13-8-2010	12-8-2017
30th	31-3-2011	3-9-2011	2-9-2018

Members who have not encashed/received their Dividend Warrants so far for the Financial Year ended on 31st March, 2005, or any subsequent years are requested to make their claim to the Company for obtaining fresh/ duplicate Dividend Payment Instrument/s. The Unpaid Dividend Claim Form - Letter of Indemnity can be downloaded from Company's website www.stanroseinvest.com.

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

(f) NECS Mandate

Members holding shares in physical form are requested to provide National Electronic Clearing Service (NECS) Mandate or their new and unique bank account number allotted by the banks post implementation of Core Banking Solution (CBS), (if not provided earlier) to the Company/its Registrar in the NECS Mandate Form provided elsewhere in the Annual Report. The NECS Mandate Form can also be downloaded from the Company's website www.stanroseinvest.com.

Members holding shares in demat form should ensure that the correct and updated particulars of their Banking Accounts are available with the depository participant. This would facilitate in receiving direct credit of dividends, etc. from the Company and avoid postal delays and loss in transit.

(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 in 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 holding shares in single name in physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form 2B can be downloaded from the Company's website www.stanroseinvest.com. Members holding shares in dematerialised form may contact their DP for recording their nomination.

(i) Share Transfer System

All the transfers received are processed, 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 valid and complete in all respects.

The Company obtains Half-yearly Certificate of Compliance of the Share transfer formalities from a Practicing Company Secretary as required under Clause 47(c) of the Listing Agreement with the Stock Exchange and files a copy of the certificate with the Stock Exchange.

(j) PAN Requirement for every Participant in Securities Market

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) respectively, along with necessary documents at the time of lodgement of request for these transactions, is now mandatory.

(k) Registration of Email ID for receipt of Notices of General Meetings, Annual Report, etc. in e-form

In view of MCA's circulars clarifying that the Notices of General Meetings, Balance Sheet, Statement of Profit and Loss, Directors' Report, Auditors' Report, etc. can be sent to the members in electronic mode instead of physical mode. All the Members holding shares in physical form are requested to get their Email ID registered with the Company or its Registrar and Transfer Agents by sending a request there-for. Members holding shares in demat shall provide their email ID to their DP, if not provided earlier. Email registration form will be sent on request or the registration can also be made online on Company's website www.stanroseinvest.com.

ADVANTAGES OF REGISTERING FOR E-COMMUNICATION:

- * Receive communication promptly
- * Reduce paper consumption and save trees
- * Eliminate wastage of papers
- * Avoid loss of documents in postal transit
- * Save costs on papers and on postage

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

(l) **Address for Correspondence:**
601, Popular House, Ashram Road,
Ahmedabad - 380 009.
Phone No. 079 66310887, 26580067
Fax: 079 26589557
E-mail : Investorcare@stanroseinvest.com

(m) Listing on the Stock Exchange and Stock Code:

Listed on Bombay Stock Exchange. Listing fee for 2012-13 of BSE has been paid and the Scrip Code No. is 506105, [Scrip ID STANROS] under TFTS (Trade for Trade Segment) Group.

The Company has established connectivity with NSDL and CDSL both for demat and the ISIN allotted to its Equity Shares is INE441L01015.

The transactions in physical as well as demat are on trade to trade basis in the lots of 50 equity shares. On dematerialization of non-promoters' holding to the extent of 50% (against 43.32% as at 31.3.12) and promoters 100% (against 100% as at 31.3.12) holding, the Bombay Stock Exchange Limited shall consider to transfer it to Rolling Settlement, where trades for even a single share in demat would be allowed.

(n) Delisting from ASE

As there were no transactions in the Equity Shares of the Company on the Ahmedabad Stock Exchange Ltd.(ASE) since long and as the facility to trade in Company's shares through the Bombay Stock Exchange Ltd.(BSE), having nationwide trading terminals is available, the Company has voluntarily delisted its shares from ASE with effect from 31st

October, 2011, in pursuance of SEBI (Delisting of Equity Shares) Regulations, 2009.

(o) Recommendation to get the shares dematerialized

We strongly recommend all the members holding shares in physical form to promptly get their shares dematerialized in their own interest. The inaction by members holding shares in physical to dematerialize their shares deprives around 90% of the total members holding less than 50 shares, the facility of trading on the Exchange. Besides the following general advantages, your initiation to get the shares of the Company demated will help in complying with the SEBI requirement of having minimum 50% of non-promoter holding in demat (currently 43.32%) for shifting the scrip to rolling settlement, enabling all the members the trading facility on the Exchange:

- | | |
|---|---|
| ❖ | No risk of loss on account of fire, theft or mutilation |
| ❖ | Reduces the chances of bad delivery |
| ❖ | Lower transaction costs |
| ❖ | Receipt of instant electronic credit of corporate benefits like bonus, rights, dividend, etc. |
| ❖ | Much simpler and faster way of transactions of sale, purchase and transfer. |
| ❖ | Improved liquidity in terms of number of transactions and volume of shares |
| ❖ | Better discovery of price in the market. |

(p) (i) Distribution of Shareholding by size as on 31st March, 2012 :

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	702	2.02	2.02	702	0.02	0.02
2.	2	8,785	25.23	27.25	17,570	0.44	0.46
3.	3	206	0.59	27.84	618	0.02	0.48
4.	4	10,933	31.39	59.23	43,732	1.10	1.58
5.	5	76	0.22	59.45	380	0.01	1.59
6.	6 to 10	2,956	8.49	67.94	21,238	0.54	2.13
7.	11 to 20	4,705	13.51	81.45	71,567	1.80	3.93
8.	21 to 49	2,499	7.18	88.63	80,629	2.03	5.96
9.	50	627	1.80	90.43	31,350	0.79	6.75
10.	51 to 100	1,544	4.43	94.86	1,20,679	3.04	9.79
11.	101 to 500	1,428	4.10	98.96	3,24,227	8.17	17.96
12.	501 to 1,000	175	0.50	99.46	1,26,005	3.18	21.14
13.	1,001 & more	188	0.54	100.00	31,29,223	78.86	100.00
		34,824	100.00		39,67,920	100.00	

STANROSE MAFATLAL

(ii) Shareholding Pattern as at 31st March, 2012 : TABLE NO. 5

Category	No. of Share-holders	No. of Shares held	% of Share-holding
A) PROMOTERS' HOLDING :			
- Indian	9	19,00,161	47.89
- Foreign	-	-	-
SUB - TOTAL A	9	19,00,161	47.89
B) PUBLIC HOLDING :			
(i) Institutions	16	4,35,989	10.99
(ii) Non Institutions			
(a) Private Corporate Bodies	74	2,25,744	5.69
(b) Individuals	34,725	14,06,026	35.43
SUB-TOTAL B	34,815	20,67,759	52.11
GRAND TOTAL (A + B)	34,824	39,67,920	100.00

(q) Stock Market Data :

(i) The particulars of High-Low prices and the volume during each month of 2011-12 on the Bombay Stock Exchange Ltd. (BSE) are given hereunder:

Month	High Rs.	Low Rs.	Volume (Nos.)
2011			
April	89.95	77.25	1,750
May	87.90	81.30	950
June	92.90	83.65	3,600
July	92.25	84.70	5,600
August	90.45	76.80	3,550
September	79.90	73.00	3,700
October	81.20	72.20	1,700
November	77.50	68.45	4,600
December	72.00	63.60	3,000
2012			
January	77.80	66.80	1,400
February	77.00	68.45	4,350
March	75.00	70.05	8,000
Fiscal-2012	92.90	63.60	42,100

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

During the Financial Year 2011-12, the Company's share price over performed the benchmark indices. The Company's share price decreased by 8.27% as compared to the decrease of 10.50% in BSE Sensex.

(r) Registrar and Share Transfer Agent

The Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., has recently shifted to Unit No. 303, 3rd Floor, Shopper's Plaza-V, Opp. Municipal Market, Behind Shopper's Plaza-II, Off. C. G. Road, Ahmedabad - 380009 Tel. 079 26465179 Email: ahmedabad@linkintime.co.in. The Share Master Data is expected to be shortly transferred to the Registrar. Till then, all correspondence for transfer of shares, demat requests and other communication in relation thereto can either be addressed to the Company at its Registered Office or to the Registrar.

(s) Dematerialisation of Shares

70.46 % of Company's paid-up Equity Share Capital is dematerialized upto 31st March, 2012.

Sr. No.	Electronic / Physical	No. of Shares	%
1.	NSDL	26,98,116	68.00%
2.	CDSL	97,761	2.46 %
3.	Physical	11,72,043	29.54 %
	TOTAL	39,67,920	100.00 %

On behalf of the Board
M. J. Mehta **K. J. Pardiwalla**
Director Director

Ahmedabad
Dated : 27th April, 2012

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**, for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 Managements, 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

Ahmedabad
27th April, 2012

Partner
(Membership No. 33331)

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 read together with the significant accounting policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, 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, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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)

Ahmedabad,
Dated : 27th April, 2012

H. P. SHAH
Partner
(Membership No. 33331)

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.
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 purchase 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.
- (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, 2012, 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, 2012, on account of disputes are given below:

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	1990-91 1998-99 & 2004-05	22,29,463
	Income Tax	CIT (Appeals)	1995-96 1996-97 & 2006-07	1,17,97,630
	Income Tax	Asstt. Comm.	2010-11 2011-12	10,84,332

9. During the year the 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 : 27th April, 2012

Partner
[Membership No. 33331]

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

BALANCE SHEET as at 31st March, 2012

(Amount in Rupees)

Particulars	Note No.	As at 31-3-2012	As at 31-3-2011
I Equity and Liabilities :			
Shareholders' Funds :			
Share Capital	2	3,96,79,200	3,96,79,200
Reserves and Surplus	3	43,49,26,258	41,77,86,904
		<u>47,46,05,458</u>	<u>45,74,66,104</u>
Non-current Liabilities :			
Long Term Provisions	4	9,16,309	7,97,310
		<u>9,16,309</u>	<u>7,97,310</u>
Current Liabilities :			
Trade Payables	5	2,02,248	13,78,396
Other Current Liabilities		49,28,572	53,82,401
Short-term Provisions		2,33,11,733	2,32,33,079
		<u>2,84,42,553</u>	<u>2,99,93,876</u>
Total		<u>50,39,64,320</u>	<u>48,82,57,290</u>
II ASSETS :			
Non-current Assets			
Fixed Assets :			
Tangible Assets	6	91,84,772	90,22,557
Non-current Investments	7	29,43,68,816	21,48,18,495
Deferred Tax Assets (Net)	8	9,91,743	8,92,447
Long Term Loans and Advances	9	5,98,86,199	4,67,16,875
		<u>36,44,31,530</u>	<u>27,14,50,374</u>
Current Assets :			
Stock-in Trade	10	4,64,92,160	10,68,64,597
Trade Receivables		13,88,444	25,68,688
Cash and Cash Equivalents		72,22,507	2,37,62,622
Short Term Loans and Advances		8,44,29,679	8,36,11,009
		<u>13,95,32,790</u>	<u>21,68,06,916</u>
Total		<u>50,39,64,320</u>	<u>48,82,57,290</u>
Summary of Significant Accounting Policies	1		
See accompanying notes to the financial statements			

In terms of our Report attached.

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

Ahmedabad, Dated : 27th April, 2012

For and on behalf of the Board

K. J. PARDIWALLA
Director

M. J. MEHTA
Director

G. R. SHAH
Company Secretary

Ahmedabad, Dated : 27th April, 2012

STATEMENT OF PROFIT AND LOSS for the year ended on 31st March, 2012

(Amount in Rupees)

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Revenue from Operations	11	7,52,62,127	<i>9,53,25,451</i>
Other Income	12	21,084	<i>38,207</i>
Total Revenue		<u>7,52,83,211</u>	<u><i>9,53,63,658</i></u>
Expenses :			
Employee benefit expenses	13	46,60,518	<i>42,74,938</i>
Depreciation		17,94,122	<i>20,56,681</i>
Other Expenses	14	2,16,30,434	<i>1,81,43,451</i>
Total Expenses		<u>2,80,85,074</u>	<u><i>2,44,75,070</i></u>
Profit before Taxes		4,71,98,137	<i>7,08,88,588</i>
Tax Expense :			
Current Tax		71,00,000	<i>1,17,00,000</i>
Deferred Tax		(99,296)	<i>(2,33,413)</i>
Short Provision of Taxation in respect of earlier years (net)		—	<i>2,95,667</i>
Profit for the year		<u>4,01,97,433</u>	<u><i>5,91,26,334</i></u>
Earnings per equity share [Refer Note 21]:			
Basic		10.13	<i>14.90</i>
Diluted		10.13	<i>14.90</i>
Summary of Significant Accounting Policies	1		
See accompanying notes to the financial statements			

In terms of our Report attached.

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

Ahmedabad, Dated : 27th April, 2012

For and on behalf of the Board

K. J. PARDIWALLA
*Director*M. J. MEHTA
*Director*G. R. SHAH
Company Secretary

Ahmedabad, Dated : 27th April, 2012

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

CASH FLOW STATEMENT for the year ended on 31st March, 2012

(Amount in Rupees)

	Year ended 31-3-2012	<i>year ended 31-3-2011</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT & LOSS	4,71,98,137	<i>7,08,88,588</i>
Adjustments for :		
Depreciation	17,94,122	<i>20,56,681</i>
Income from Investments	(4,84,31,105)	<i>(7,06,65,599)</i>
Loss on Assets Sold	—	<i>10,448</i>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,61,154	<i>22,90,118</i>
Changes in Working Capital		
Adjustments for :		
Trade Receivables	11,80,244	<i>(12,06,592)</i>
Purchase of Investments	(8,11,45,396)	<i>(4,46,41,169)</i>
Sale of Investments	5,00,26,181	<i>10,15,60,365</i>
Inventories - Stock in trade	6,03,72,437	<i>(7,88,28,054)</i>
Long-term Loans and Advances	5,68,11,801	<i>3,37,50,942</i>
Short-term Loans and Advances	(7,06,00,497)	<i>(8,04,50,591)</i>
Trade Payables	(11,76,148)	<i>8,78,640</i>
Other Current Liabilities	(4,53,829)	<i>(3,77,100)</i>
Long-term Provisions	(56,001)	<i>2,51,070</i>
Short-term Provisions	2,53,654	<i>1,75,000</i>
CASH GENERATED FROM / (USED IN) OPERATIONS	1,57,73,600	<i>(6,65,97,371)</i>
Direct Taxes (Paid) / Refunded - (net)	(72,99,298)	<i>(1,17,76,635)</i>
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	84,74,302	<i>(7,83,74,006)</i>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,56,337)	<i>(15,26,959)</i>
Sale of Fixed Assets	—	<i>1,000</i>
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	(19,56,337)	<i>(15,25,959)</i>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(2,30,58,079)	<i>(2,32,11,340)</i>
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	(2,30,58,079)	<i>(2,32,11,340)</i>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,65,40,114)	<i>(10,31,11,305)</i>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,37,62,622	<i>12,68,73,927</i>
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	72,22,507	<i>2,37,62,622</i>

Notes :

1. Cash and cash equivalents as at the end of the Year:		
Cash on hand	2,93,088	<i>2,47,743</i>
Balances with Banks in Current Accounts*	69,24,419	<i>2,35,09,879</i>
Balance with Banks in Fixed Deposit	5,000	<i>5,000</i>
Total	72,22,507	<i>2,37,62,622</i>

*Note : Including Rs. 29,67,795 (Previous Year Rs. 25,75,592) in respect of Unpaid Dividend Accounts.

2) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

In terms of our Report attached.

For C.C. CHOKSHI & CO.
Chartered Accountants

H. P. SHAH
Partner

Ahmedabad, Dated : 27th April, 2012

For and on behalf of the Board

K. J. PARDIWALLA
Director

M. J. MEHTA
Director

G. R. SHAH
Company Secretary

Ahmedabad, Dated : 27th April, 2012

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2012**1. 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:

Non-current 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 contribution schemes, are charged to the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Financial Statements.

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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 non-current 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 difference 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.

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 the Statement of Profit and Loss.

2. SHARE CAPITAL :

Particulars	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
AUTHORISED SHARE CAPITAL :		
50,00,000 (Previous Year 50,00,000) Equity Shares of Rs. 10 each with voting rights	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up :		
39,67,920 (Previous Year 39,67,920) Equity Shares of Rs. 10 each with voting rights	3,96,79,200	3,96,79,200
Total	3,96,79,200	3,96,79,200

Notes :

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :

Outstanding at the beginning of the year	39,67,920	39,67,920
Add : Issued During the year	—	—
Outstanding at the end of the year	39,67,920	39,67,920

(ii) Details of Shareholders holding more than 5 percent equity shares:

1. Shanudeep Pvt. Ltd.	Nos.	9,80,078	9,80,078
	% holding	24.70 %	24.70 %
2. Vinadeep Investments Pvt. Ltd.	Nos.	4,19,870	4,19,870
	% holding	10.58 %	10.58 %
3. Sheiladeep Investments Pvt. Ltd.	Nos.	3,90,297	3,90,297
	% holding	9.84 %	9.84 %

3. RESERVES AND SURPLUS :

Particulars	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
Securities Premium Reserve		
Balance as per last Balance Sheet.	9,91,98,000	9,91,98,000

Particulars	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
Reserve U/S.45 IC of RBI Act, 1934:		
Balance as per last Balance Sheet.	8,30,00,000	7,10,00,000
Add : Amount transferred from Statement of Profit and Loss.	81,00,000	1,20,00,000
	9,11,00,000	8,30,00,000
General Reserve No. I :		
Balance as per last Balance Sheet.	11,20,00,000	10,60,00,000
Add : Transferred from Statement of Profit and Loss	41,00,000	60,00,000
	11,61,00,000	11,20,00,000
General Reserve No. II :		
Balance as per last Balance Sheet.	60,00,000	60,00,000
Statement of Profit and Loss		
Balance as per last Balance Sheet	11,75,88,904	9,95,20,649
Add : Profit for the year	4,01,97,433	5,91,26,334
Available for Appropriations	15,77,86,337	15,86,46,983
Less: Appropriations:		
Transfer to Reserve u/s 45 IC of RBI Act,1934	81,00,000	1,20,00,000
Proposed Dividend	1,98,39,600	1,98,39,600
Distribution tax on proposed dividend	32,18,479	32,18,479
Transfer to General Reserve No. I	41,00,000	60,00,000
	12,25,28,258	11,75,88,904
Total	43,49,26,258	41,77,86,904

4. NON CURRENT LIABILITIES

LONG TERM PROVISIONS		
Provision for Employee Benefits	7,41,309	6,72,310
Contingent Provisions against Standard Assets	1,75,000	1,25,000
Total	9,16,309	7,97,310

STANROSE MAFATLAL

Particulars	As at	As at	Particulars	As at	As at
	31-3-2012	31-3-2011		31-3-2012	31-3-2011
	Rupees	Rupees		Rupees	Rupees
5. CURRENT LIABILITIES					
TRADE PAYABLES	2,02,248	13,78,396	Contingent Provisions against Standard Assets	1,75,000	1,75,000
	2,02,248	13,78,396	Proposed Dividend *	1,98,39,600	1,98,39,600
OTHER CURRENT LIABILITIES			Provision for Tax on Proposed Dividend	32,18,479	32,18,479
Statutory Liabilities	22,472	1,53,155		2,33,11,733	2,32,33,079
Other payables	19,38,305	26,53,654	Total	2,84,42,553	2,99,93,876
Unclaimed dividend	29,67,795	25,75,592			
	49,28,572	53,82,401			
SHORT TERM PROVISIONS					
Provision for Employee Benefits	78,654	—			

* Note : Dividend proposed at Rs. 5.00 per share (Previous Year Rs. 5.00 per share)

6. FIXED ASSETS :	(Amount in Rupees)									
	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-4-2011	Additions during year	Deductions/ Adjustments during the year	As at 31-3-2012	As at 1-4-2011	For the year	Deductions	Upto 31-3-2012	As at 31-3-2012	As at 31-3-2011
Tangible Assets										
Buildings	55,55,099	—	—	55,55,099	35,64,498	99,530	—	36,64,028	18,91,071	19,90,601
Furniture & Fixtures ...	44,20,686	14,47,925	—	58,68,611	21,82,051	4,45,620	—	26,27,671	32,40,940	22,38,635
Office Equipment	20,64,882	5,08,412	—	25,73,294	16,10,596	1,25,798	—	17,36,394	8,36,900	4,54,286
Vehicles	1,29,13,489	—	—	1,29,13,489	85,74,454	11,23,174	—	96,97,628	32,15,861	43,39,035
TOTAL	2,49,54,156	19,56,337	—	2,69,10,493	1,59,31,599	17,94,122	—	1,77,25,721	91,84,772	90,22,557
<i>Previous Year.</i>	<i>2,36,94,988</i>	<i>15,26,959</i>	<i>2,67,792</i>	<i>2,49,54,156</i>	<i>1,41,31,261</i>	<i>20,56,681</i>	<i>2,56,344</i>	<i>1,59,31,599</i>	<i>90,22,557</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)

7. NON-CURRENT INVESTMENTS : (Amount in Rupees)

Sr. Particulars No.	Face Value per Share / Unit / Debenture	As at 31-3-2012		As at 31-3-2011	
		Qty.	At Cost or Book Value	Qty.	At Cost or Book Value

(A) In Equity Shares of a Subsidiary Company (At Cost) (Unquoted) :

Stanrose Mafatlal Lubechem Limited	5	43,98,216	—	43,98,216	—
(In Liquidation)					
Total (A)					

(B) In Shares of other Companies (At Cost) :

I. In Equity Shares :

(i) Quoted (Fully paid) (Non-Traded) :

1. Asian Electronics Ltd.	5	1,600	3,61,320	1,600	3,61,320
2. BASF India Ltd.	10	9,200	19,51,644	9,200	19,51,644
3. Binani Industries Limited	10	2,700	5,04,130	2,700	5,04,130
4. Eicher Motors Limited	10	1,450	5,57,917	1,475	5,67,535
5. Futura Polyesters Ltd.	10	78,300	9,92,940	78,300	9,92,940
6. GTL Infrastructure Limited	10	3,100	2,12,678	3,100	2,12,678
7. Housing Development Finance Corp. Ltd.	2	2,50,100	52,86,963	3,25,100	68,72,419
8. HDFC Bank Limited.	2	92,500	4,42,79,532	—	—
9. Indian Oil Corporation Limited	10	540	2,14,466	540	2,14,466
10. Infrastructure Development Finance Co. Ltd.	10	35,900	25,00,152	35,900	25,00,152

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

(Amount in Rupees)

Sr. Particulars No.	Face Value per Share / Unit / Debenture	As at 31-3-2012		As at 31-3-2011	
		Qty.	At Cost or Book Value	Qty.	At Cost or Book Value
11. Innovassynth Investments Limited	10	35,589	5,84,908	—	—
12. ITC Limited	1	47,400	41,51,536	47,400	41,51,536
13. Jindal Stainless Limited	2	1,000	1,42,251	1,000	1,42,251
14. KPIT Cummins Infosystems Limited	2	7,000	6,01,055	3,500	6,01,055
15. Lakshmi Overseas Industries Limited	2	26,800	45,91,655	26,800	45,91,655
16. Manugraph India Limited	2	1,000	2,61,177	1,000	2,61,177
17. NTPC Limited	10	2,000	5,34,160	2,000	5,34,160
18. Piramal Life Sciences Limited	10	350	35,900	350	35,900
19. Reliance Communications Limited	5	1,000	2,41,162	650	2,07,771
20. Reliance Industries Limited	10	20,862	47,05,593	20,862	47,05,593
21. Sintex Industries Limited	1	2,775	6,26,937	2,475	5,97,875
22. Standard Industries Limited	5	1,24,04,487	18,21,90,871	1,13,83,756	14,55,03,014
23. State Bank of India	10	2,000	22,35,147	2,000	22,35,147
24. Summit Securities Limited	10	106	4,79,602	106	4,79,602
25. Sun Pharma Advance Research Co. Ltd ..	1	1,300	1,19,763	1,300	1,19,763
26. Tata Steel Limited	10	8,133	21,94,884	8,133	21,94,884
27. TRF Ltd.	10	5,000	25,20,667	5,000	25,20,667
28. Virat Industries Limited.	10	34,250	3,42,500	34,250	3,42,500
29. Wipro Ltd.	2	8,167	10,56,019	8,167	10,56,019
30. Zicom Electronics Security Systems Ltd. .	10	10,500	25,40,784	10,500	25,40,784
			<u>26,70,18,313</u>		<u>18,69,98,637</u>
(ii) Unquoted (Fully Paid) :					
(1) Federal-Mogul Bearings India Limited	10	582	55,290	582	55,290
(2) Innovassynth Investments Limited	10	—	—	35,589	5,84,908
(3) Sarju International Limited	10	25,000	11,25,000	25,000	11,25,000
(4) SIP Technologies and Exports Ltd.	10	3,000	8,64,000	3,000	8,64,000
(5) Stanrose Fund Management Services	100	1,000	1,00,000	1,000	1,00,000
Limited					
			<u>21,44,290</u>		<u>27,29,198</u>
(C) In Other Investments (Debentures and Units)					
Quoted (Fully Paid) (Non-Traded) :					
1. Benchmark Goldbees Units	100	12,500	2,50,90,660	12,500	2,50,90,660
2. 11.10 % S.T.F.C. NCD 2016	1000	110	1,15,553	—	—
			<u>2,52,06,213</u>		<u>2,50,90,660</u>
Total (B + C)			<u>29,43,68,816</u>		<u>21,48,18,495</u>
Total. (A + B + C)			<u>29,43,68,816</u>		<u>21,48,18,495</u>

NOTES :

(a) Aggregate Value of Quoted Investments:		
Cost/Book Value	29,22,24,526	21,20,89,297
Market Value	52,85,19,661	60,86,67,145
(b) Aggregate Value of Unquoted Investments:		
Cost/Book Value.	21,44,290	27,29,198

Particulars	As at	As at	Particulars	As at	As at
	31-3-2012	31-3-2011		31-3-2012	31-3-2011
	Rupees	Rupees		Rupees	Rupees
8. DEFERRED TAX ASSETS					
Deferred Tax Assets /			On account of Provisions for :		
(Liabilities) as at year end :			-- Standard Assets	1,13,558	97,335
On account of Depreciation	6,24,999	5,75,080	-- Leave Encashment	2,53,186	2,20,032
			Total	<u>9,91,743</u>	<u>8,92,447</u>

STANDROSE MAFATLAL

Particulars	As at	As at
	31-3-2012	31-3-2011
	Rupees	Rupees
9. LONG TERM LOANS & ADVANCES		
(Unsecured Considered Good)		
Intercompany Deposits *	5,93,82,725	4,65,00,000
Loans to Staff	4,91,402	1,98,000
Accrued Interest on staff loans	12,072	18,875
Total	5,98,86,199	4,67,16,875

* Note : Interest free Intercompany deposit given to

Stanplaza Ltd. (SPL) is pursuant to the understanding entered into between the Company, Standard Industries Ltd. (SIL) & SPL. Accordingly, apart from the exposure taken in a Real Estate Business company, SPL has also purchased Land admeasuring around 104 Ares at Pune. SPL will be facilitating on behalf of the Company and SIL, for which it will charge a lump sum fee @ 5% of the benefits to be received. Further the benefits and losses as the case may be, from the said exposure will be shared equally by the Company & SIL.

10. CURRENT ASSETS :

Particulars	As at	As at
	31-3-2012	31-3-2011
	Rupees	Rupees
1. Stock in Trade (At lower of cost or net realisable value)	4,64,92,160	10,68,64,597

Note : Statement of Stock in Trade Investments (Inventories) is as under :

Sr. No.	Name of the Company / Mutual Fund	Face Value	Closing Stock (Qty.)		As at	As at
			As at	As at	31-3-2012	31-3-2011
		Rs.	31-3-2012	31-3-2011	Rupees	Rupees

(A) Equity Shares / IDRs (Quoted) :

1.	Aban Offshore Limited	2	150	100	70,097	70,889
2.	Adani Port & Sez Limited	2	1,000	800	1,59,378	1,34,893
3.	Ankur Drug & Pharma Limited	5	300	300	52,138	52,138
4.	BHEL Limited	2	300	—	92,879	—
5.	Crompton Greaves Limited	2	200	—	51,840	—
6.	Everest Kanto Cylinder Limited	2	550	550	73,896	73,896
7.	Hindustan Copper Limited	5	350	400	1,46,327	1,69,366
8.	Hindustan Oil Exploration Co. Ltd.	10	7,000	6,900	4,79,515	4,26,084
9.	Jaiprakash Associates Limited	2	500	612	74,143	92,311
10.	Nestle India Limited	10	147	147	2,28,791	2,28,791
11.	Reliance Infrastructure Limited	10	200	100	1,66,419	95,799
12.	Reliance Power Limited	10	1,000	1,137	1,70,762	2,02,564
13.	Torrent Power Limited	10	400	250	1,10,387	84,393
14.	Tata Power Limited	1	1,000	—	1,33,842	—
15.	Financial Techno (I) Limited	2	—	75	—	77,154
16.	MRF Limited	10	—	30	—	2,30,241
17.	Reliance Communication Limited	5	—	350	—	61,110
18.	Standard Chartered PLC Limited	—	—	100	—	10,902
19.	Sterlite Technologies Limited	2	—	1,350	—	1,14,404
20.	Tata Global Beverages Limited	1	—	800	—	1,08,456
21.	Zandu Realty Limited	100	150	165	4,77,965	5,82,213
Total (A)					24,88,379	28,15,604
Market Value					25,70,519	33,92,741

(B) Units of Mutual Funds :

1.	Birla Sunlife Dynamic Bond Fund - Growth	10	2,19,073	14,34,546	39,29,197	2,34,43,987
2.	Birla Sunlife Dynamic Bond Fund - Monthly Dividend	10	5,06,354	—	53,38,576	—
3.	Birla Sunlife MIP 2 Savings 5 Plan - Growth	10	2,94,588	4,66,701	56,21,897	52,74,874
4.	HDFC Cash Management Fund - Growth Plan	10	3,52,708	—	81,47,313	—

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

5. ICICI Prudential Interval Fund II Quarterly - Retail Dividend	10	3,99,964	—	40,00,000	—
6. IDFC Flexi Maturity Plan - Half Yearly - Dividend	10	3,99,990	—	39,99,900	—
7. JM Money Manager - Regular Plan Daily Dividend	10	7,39,153	8,73,966	73,99,811	1,10,00,000
8. Reliance Money Manager - Retail Growth	10	27,22,993	3,659	39,25,029	36,71,112
9. UTI Fixed Income Interval Fund - Monthly Dividend	10	1,64,206	—	16,42,058	—
10. Bharti AXA Liquid Fund Regular - Growth	10	—	1,735	—	20,00,139
11. Bharti AXA Treasury Advt. Fund - Dividend	1,000	—	897	—	10,48,888
12. Bharti AXA Equity Fund Regular - Growth	10	—	7,438	—	1,31,323
13. Birla Sunlife Cash Manager - Growth	10	—	54,471	—	12,98,157
14. Birla Sunlife Dynamic Bond Retail - Dividend	10	—	3,48,051	—	36,27,992
15. HDFC Long Term Equity - Growth Plan	10	—	3,00,000	—	22,53,600
16. ICICI Flexi Income Plan - Growth	10	—	5,577	—	10,13,709
17. ICICI FNP Series 53 1 Year Cumulative - Growth	10	—	4,00,000	—	40,00,000
18. IDFC Money Manager - Treasury Plan - Growth	10	—	1,29,264	—	20,32,842
19. IDFC Money Manager - Treasury Plan - Dividend	10	—	2,02,272	—	20,36,854
20. Kotak Liquid Fund - Regular Plan - Growth	10	—	75,059	—	12,89,986
21. Kotak Equity Arbitrage Fund - Growth	10	—	67,906	—	9,93,327
22. Kotak Floater Long Term - Daily Dividend	10	—	8,64,410	—	87,13,083
23. Reliance Liquid Fund - Treasury Plan - Growth	10	—	29,567	—	6,53,182
24. SBI-SHF Ultra Short Term Fund - Growth	10	—	18,99,971	—	2,39,65,289
25. SBI - Magnum insta Cash Fund - Cash	10	—	1,88,411	—	41,00,649
26. UTI Fixed Income Interval Fund - Growth	10	—	1,13,647	—	15,00,000
Total (B)				4,40,03,781	10,40,48,993
Market Value				4,40,92,707	10,78,60,667
Total [A+B] (I)				4,64,92,160	10,68,64,597
Market Value				4,66,63,226	11,12,53,408
Lower of cost or net realisable value / Market Value				4,64,92,160	10,68,64,597

	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
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TRADE RECEIVABLES

(Unsecured Considered good unless otherwise stated)

Outstanding for a period exceeding six months from the Due date	-	-
Others	13,88,444	25,68,688
Total (II)	13,88,444	25,68,688

	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
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CASH AND BANK BALANCES

Cash and Cash Equivalent :		
Balance with Banks in Current Accounts (Including Rs. 29,67,795 (Previous Year Rs. 25,75,592) in respect of Unpaid Dividend Accounts)	69,24,419	2,35,09,879
Cash on hand	2,93,088	2,47,743
Fixed Deposit	5,000	5,000
Total (III)	72,22,507	2,37,62,622

STANDROSE MAFATLAL

	As at 31-3-2012 Rupees	As at 31-3-2011 Rupees
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Sundry Deposits	85,325	85,325
Intercorporate Deposits	7,00,00,000	7,00,00,000
Other advances recoverable in cash or in kind or for value to be received	31,99,101	28,63,641
Current Maturity of Loan and Advances to Staff	2,10,000	5,000
Advance Payment of Income Tax and TDS (Net)	1,06,86,184	1,04,86,885
Prepaid Expenses	2,13,052	1,33,310
Accrued Interest on staff loans	36,017	36,848
Total (IV)	<u>8,44,29,679</u>	<u>8,36,11,009</u>
Total (I to IV)	<u>13,95,32,790</u>	<u>21,68,06,916</u>
	Year ended 31-3-2012 Rupees	Year ended 31-3-2011 Rupees

11. REVENUE FROM OPERATIONS

Interest on ICD	56,15,342	58,87,490
Dividend Income	1,40,78,166	1,35,11,209
Profit from Trading of Shares ... and Securities *	71,37,514	52,61,153
Profit on Sale of Investments ... (Net)	4,84,31,105	7,06,65,599
Total	<u>7,52,62,127</u>	<u>9,53,25,451</u>

* Note :

Details of profit from Trading in
Shares and Securities are as under :

Sales	14,06,15,128	20,31,72,936
Closing Stock	4,64,92,160	10,68,64,597
Total (A)	<u>18,71,07,288</u>	<u>31,00,37,533</u>
Less : Opening Stock	10,68,64,597	2,80,36,543
Purchases	7,31,05,177	27,67,39,837
Total (B)	<u>17,99,69,774</u>	<u>30,47,76,380</u>
Total (A-B)	<u>71,37,514</u>	<u>52,61,153</u>

12. OTHER INCOME

Interest on Loan to Employees	11,241	1,976
Interest from Investments ...	8,807	—
Miscellaneous Income	1,036	36,231
Total	<u>21,084</u>	<u>38,207</u>

13. EMPLOYEE BENEFIT EXPENSES

Salaries, Wages and Allowances	34,64,983	32,49,442
Bonus	1,18,300	1,20,145
Contribution to Provident & Other Funds	4,83,096	4,30,338
Staff Welfare Expenses	5,94,139	4,75,013
Total	<u>46,60,518</u>	<u>42,74,938</u>

14. OTHER EXPENSES

Rent :		
Service and Amenities charge	24,02,336	23,06,053
Leave and License fees	19,43,100	18,51,698
Rates & Taxes	1,10,157	38,860
Repairs & Maintenance : ...		
-- Building	1,600	1,965
-- Others	4,59,311	7,12,979
Insurance	1,21,866	84,323
Printing & Stationery	3,73,307	3,75,310
Postage and Telephone	4,88,492	5,03,500
Advertisement	3,52,884	75,030
Payment to Auditors	1,78,953	1,81,995
Directors' Fees	1,70,000	1,39,000
Commission to Directors ...	14,00,000	21,50,000
Legal & Professional Charges :		
Legal & Professional Charges	4,26,938	6,75,633
Retainership fees	10,92,000	10,92,000
Electricity Charges	4,84,329	5,97,797
Computer Expenses	1,38,375	1,42,307
Motor Car expenses	13,23,309	15,02,884
Travelling & Conveyance :		
Travelling	12,70,439	5,61,676
Foreign Travel	30,91,003	15,29,966
Membership & Subscription	28,15,856	45,418
Miscellaneous Expenses ...	10,86,179	13,49,609
Donation	18,50,000	19,15,000
Provision for Standard Assets	50,000	3,00,000
Loss on Fixed Assets Sold/Discarded (net)	—	10,448
Total	<u>2,16,30,434</u>	<u>1,81,43,451</u>

Note : Payment to Auditors
(Including Service-tax) :

Auditors' remuneration includes the following amounts paid or adjusted as paid to them during the year :		
As Auditors	1,12,360	1,10,300
(b) For Tax Audit	22,472	22,060
(c) For Certification Work	44,121	49,635
Total	<u>1,78,953</u>	<u>1,81,995</u>

15. CONTINGENT LIABILITIES : 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. 1,51,11,425 (Previous Year Rs. 1,40,27,093).

16. The Company is not holding and accepting deposits as also not being systematically important the Prudential Norms on Credit and Investment Concentration and Capital Adequacy are not applicable to it. The Company has complied with all other norms on Income Recognition

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Accounting Standards, Assets Classification, Provisioning for Bad and Doubtful Debts & Standard Assets and other related matters as prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 as amended.

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

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

19. LEASES :

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

	Year ended	<i>Year ended</i>
	31-3-2012	<i>31-3-2011</i>
	Rupees	<i>Rupees</i>
Minimum future lease payments		
Not later than one year	17,82,000	<i>17,82,000</i>
Later than one year and not later than five years	42,44,226	<i>60,26,226</i>
	60,26,226	<i>78,08,226</i>

20. EMPLOYEE BENEFITS :

(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) :

I. Components of Employers' Expense recognised in Statement of Profit and Loss

(a) Current Service Cost	1,33,238	<i>1,02,911</i>
(b) Interest Cost	1,94,990	<i>1,76,715</i>
(c) Expected Return on Plan Assets	(1,95,464)	<i>(2,09,372)</i>
(d) Net Actuarial Loss / (Gain) recognised in year.	(43,250)	<i>(13,896)</i>

Total Expense recognised in Statement of Profit and Loss

	89,514	<i>56,358</i>
--	---------------	---------------

II. Net Asset / (Liability) recognised in Balance Sheet:

(a) Present value of Obligation	26,85,777	<i>24,10,259</i>
(b) Fair Value of Plan Assets	26,07,123	<i>24,16,119</i>
(c) Present value of Unfunded Obligation	78,654	<i>(5,860)</i>

Net (Asset) / Liability

recognised in Balance Sheet	78,654	<i>(5,860)</i>
------------------------------------	---------------	----------------

III. Changes in Defined Benefit Obligations (DBO) during the year :

(a) Opening Present Value of Obligation	24,10,259	<i>21,84,363</i>
---	------------------	------------------

	Year ended	<i>Year ended</i>
	31-3-2012	<i>31-3-2011</i>
	Rupees	<i>Rupees</i>
(b) Current Service Cost	1,33,238	<i>1,02,911</i>
(c) Interest Cost	1,94,990	<i>1,76,715</i>
(d) Actuarial (Gain) / Loss	(52,710)	<i>(39,250)</i>
(e) Benefit Paid	—	<i>(14,480)</i>
Present Value of Obligation at the year end	26,85,777	<i>24,10,259</i>

IV. Changes in the fair value of plan assets during the year :

(a) Opening fair value of plan assets	24,16,119	<i>22,36,581</i>
(b) Expected return	1,95,464	<i>2,09,372</i>
(c) Actuarial Gain / (Loss)	(9,460)	<i>(25,354)</i>
(d) Contributions by employer	5,000	<i>10,000</i>
(e) Benefit Paid	—	<i>(14,480)</i>

Fair Value of Plan Assets

at the year end	26,07,123	<i>24,16,119</i>
------------------------	------------------	------------------

V. Actuarial Assumptions

(a) Discount Rate (per annum)	8.09%	<i>8.09%</i>
(b) Annual Increase in Salary Cost	6.00%	<i>6.00%</i>
(c) Expected Return on Plan Assets	8.09%	<i>9.00%</i>

Past three years data for Defined benefit obligations and fair value of plan asset :

Particulars	2009-10	2010-11	2011-12
	<i>(Amount in Rupees)</i>		

Present Value of defined benefit Obligation at the end of the year (By Independent Actuary)	21,84,363	24,10,259	26,85,777
Fair Value of Plan assets at the end of the year.	22,36,581	24,16,119	26,07,123
Net (Asset) / Liability at the end of the year	(52,218)	(5,860)	78,654

To fund the obligations under the gratuity plan Contributions are made to the Gratuity Fund created by the Company which invests the funds in following manner :

Sr. No.	<u>Particulars</u>	<u>Percentage Investments</u>
1.	Insurer Managed Funds	44.47 %
2.	Central Government Securities	14.76 %
3.	State Government Securities	28.41 %
4.	Public Financial Institutions	8.77 %
5.	CBI Special Deposit Scheme	3.59 %
	Total	100.00 %

(b) The liability for leave encashment and compensated absences as at the year end is Rs. 7,41,309 (*Previous Year Rs. 6,78,170*).

21. EARNING PER SHARE :

The details of Basic and Diluted Earnings per share are as under :

<u>Particulars</u>	Year ended	<i>Year ended</i>
	31-3-2012	<i>31-3-2011</i>
Profit after tax (Rs.)	4,01,97,433	<i>5,91,26,334</i>
No. of Equity Shares	39,67,920	<i>39,67,920</i>
Basic & Diluted Earnings per Share (Rs.)	10.13	<i>14.90</i>
Nominal Value of each Equity Share (Rs.)	10.00	<i>10.00</i>

22. AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS:

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:

Year to which Dividend relates	2010-2011	<i>2009-2010</i>
Number of Non-Resident Shareholders	25	<i>25</i>
Number of Equity Shares held by them on which Dividend was due	20,200	<i>17,810</i>
Amount in rupees remitted to Bankers or Power-holders in India of the Non-resident Shareholders	Rs. 1,01,000	<i>Rs. 89,050</i>

23. Related Party Transactions :

(A) Name of related parties and description of relationship :

- | | |
|--|---|
| (1) Subsidiary Company | Stanrose Mafatlal Lubechem Limited (In Liquidation) |
| (2) Significant holding by Stanrose Mafatlal Investments and Finance Limited (SMIFL) | Standard Industries Limited (SIL)
Stanplaza Limited (Wholly owned Subsidiary of SIL)
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 |

(B) Related Party Transactions:

Amount in Rupees

Particulars	Companies with significant holding by SMIFL & Controlling Companies		Enterprises Controlled by the Company		Total	
	Year 2011-12	Year 2010-11	Year 2011-12	Year 2010-11	Year 2011-12	Year 2010-11
(A) Volume of Transactions :						
Expenses: Leave and Licence Fees & Other Services:						
Shanudeep Private Limited	43,45,436	<i>41,57,751</i>	—	—	43,45,436	<i>41,57,751</i>
Sale of Investments:						
SMIFL Employees' P. F.	—	—	—	<i>2,67,999</i>	—	<i>2,67,999</i>
SMIFL Officers' P. F.	—	—	73,534	<i>3,27,877</i>	73,534	<i>3,27,877</i>
SMIFL Officers' S. S.	—	—	42,019	<i>1,15,753</i>	42,019	<i>1,15,753</i>
SHL Employees' Gratuity Fund	—	—	—	<i>31,572</i>	—	<i>31,572</i>
Dividend Received:						
Standard Industries Limited	91,00,317	<i>82,74,735</i>	—	—	91,00,317	<i>82,74,735</i>
Dividend Paid:						
Shanudeep Private Limited	49,00,390	<i>49,00,390</i>	—	—	49,00,390	<i>49,00,390</i>
Sheiladeep Investments Private Ltd.	19,51,485	<i>19,51,485</i>	—	—	19,51,485	<i>19,51,485</i>
Vinadeep Investments Private Ltd.	20,99,350	<i>20,99,350</i>	—	—	20,99,350	<i>20,99,350</i>
Gagalbhai Investments Private Ltd.	2,18,630	<i>2,18,630</i>	—	—	2,18,630	<i>2,18,630</i>
Pradeep Investments Private Ltd.	90,600	<i>90,600</i>	—	—	90,600	<i>90,600</i>
Standard Industries Limited	84,420	<i>48,375</i>	—	—	84,420	<i>48,375</i>
(B) Balances at the Year end:	—	—	—	—	—	—

24. Foreign Currency Transactions :

	Year ended	<i>Year ended</i>
	31-3-2012	<i>31-3-2011</i>
Travelling Expenses	11,17,056	<i>4,41,850</i>
Total	11,17,056	<i>4,41,850</i>

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

25. 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*

Particulars	Outstanding Balance as on 31-3-2012	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)	7,01,402	7,05,627
Notes :		
(i) None of the Loanees named hereinabove has made any investment in the Equity Capital of the Company except negligible holding with 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.		

26. 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	At at 31-03-2012		Particulars	At at 31-03-2012		
	Amount overdue	Amount outstanding		Amount overdue	Amount outstanding	
LIABILITIES SIDE						
(1) Loans and Advances availed by the Company (Inclusive of interest accrued thereon but not paid) :	—	—	(b) Unquoted : Equity Shares		21,44,290	
			(5) Borrower group-wise classification of assets, financed as in (2) & (3) above :			<i>Amount in Rupees</i>
ASSETS SIDE						
(2) Break-up of Loans and Advances (Including bills receivable) (Other than those included in (3) below) :			At at 31-03-2012			
(a) Secured		—	Category	Amount net of provisions		
(b) Unsecured		13,06,17,216		Secured	Unsecured	Total
(3) Break-up of Leased Assets, Stock on hire and other assets counting towards AFC activities :			(a) Related Parties :			
(a) Leased Assets		—	(i) Subsidiaries	—	—	—
(b) Stock on hire		—	(ii) Companies in the same group	—	—	—
(c) Other Loans counting towards AFC activities		—	(iii) Other related parties	—	5,93,82,725	5,93,82,725
(4) Break-up of Investments:			(b) Other than related parties	—	7,12,34,491	7,12,34,491
Current Investments:			Total	—	13,06,17,216	13,06,17,216
(a) Quoted :			(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			<i>Amount in Rupees</i>
Equity Shares		24,88,379		At at 31-03-2012		
Government Securities		—	Category	Market Value / Break up or Fair Value or NAV	Book Value (Net of Provisions)	
Other Securities		—	(a) Related Parties :			
(b) Unquoted :			Companies in the same group		—	—
Units of Mutual Funds		4,40,03,781	Other related parties	22,26,60,542	18,21,90,871	
Long Term investments :			(b) Other than related parties	35,46,66,635	15,86,70,106	
(a) Quoted :			Total	57,73,27,177	34,08,60,977	
Equity Shares		26,70,18,313				
Other Investment (Units of Goldbees)		2,52,06,213				

27. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our Report attached.

For C.C. CHOKSHI & CO.
Chartered Accountants

H. P. SHAH
Partner

Ahmedabad, Dated : 27th April, 2012

For and on behalf of the Board

K. J. PARDIWALLA M. J. MEHTA
Director *Director*

G. R. SHAH
Company Secretary

Ahmedabad, Dated : 27th April, 2012

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty-second Annual General Meeting of the Members of the Company will be held on Thursday, the 16th August, 2012 at 10.30 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 31st March, 2012 and Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date of the Company and the Reports of the Directors' and Auditor's thereon.
2. To declare Dividend on Equity Shares. The Board of Directors has recommended a Dividend of Rs.5.00 per Equity Share of Rs.10/- each.
3. To appoint a Director in place of Shri Rajesh Jaykrishna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kersi J. Pardiwalla, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Madhusudan J. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint M/s. C. C. Chokshi & Co., Chartered Accountants - ICAI Regn. No. 101876W, 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.

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 OF THE COMPANY. 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/Proxies should bring the Attendance Slip duly filled in for attending the Meeting . Attendance Slip is attached to the Proxy Form. Members holding shares in dematerialized form are requested to bring their DP ID and Client ID for identification.
- (c) 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.
- (d) Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.
- (e) The Dividend on Equity Shares if declared at the Meeting will be paid on 24th August, 2012 to those Members whose names shall appear on the Company's Register of Members on 16th July, 2012; in respect of the shares held in demat form the dividend will be paid to members, whose names are furnished by NSDL and CDSL as beneficial owners as on that date.
- (f) Members holding shares in electronic form may note that the Particulars of their address and Bank Account registered against their respective depository account will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change in their address or bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Company or its Registrar and Transfer Agent.
- (g) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
- (h) The Company has designated an exclusive email ID viz. *investorcare@stanroseinvest.com* to enable investors to post their grievances, if any, and monitor its redressal.
- (i) As a part of its Green initiative in Corporate Governance and Circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for 2011-12 will be sent along with the Notice to all the members whose email address is registered with the Company/Depository Participant(s) unless any member requests for a hard copy of the same. For members who have not registered their email addresses, the Annual Report 2011-12 along with the Notice will be sent in physical. All those members, who have not yet registered, are requested to register their email address with the Company/Depository Participant.
The Notice of the 32nd Annual General Meeting and the Annual Report 2011-12 will also be available on the Company's website *www.stanroseinvest.com* for download by the members. The physical copies of the aforesaid

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

documents will also be available at the Company's Registered Office at Ahmedabad for inspection during business hours. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier free of cost.

- (j) Details required to be furnished in terms of Clause no. 49 of the Listing Agreement with the Stock Exchange relating to the Corporate Governance in respect of the Directors being proposed for re-appointment at the ensuing Annual General Meeting of the Company, are given hereunder:

1. Shri Rajesh Jaykrishna

Shri Rajesh Jaykrishna, aged 62 years, holds a degree of B.Sc., M.S. in Chemical Engineering (U.S.A.) and is a well-known industrialist. He has a very wide experience in industry, finance and corporate affairs.

He is on the Board of Sukrut Chemicals Pvt. Ltd., H.K. Investment Co. Pvt. Ltd., Jayavardhini Investment Pvt. Ltd., Deesa Stockholding Pvt. Ltd. and Telegenic Productions Pvt. Ltd.

He is on the Board of the Company since 9th November, 1982.

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

He is holding 156 Equity Shares of Rs.10 each in the Company as a joint holder.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh Jaykrishna as a Director. Accordingly the Board recommends his re-appointment.

Shri Rajesh Jaykrishna may be deemed to be interested or concerned in the Resolution.

2. Shri Kersi J. Pardiwalla :

Shri Kersi J. Pardiwalla, aged 74 years, is a Bachelor of Commerce (B.Com.) and a Fellow Member of the Institute of Chartered Accountants of India (F.C.A.) He possesses long and diverse experience in the field of Finance, Accounting, Taxation, Production, Marketing and Management. He has been with Standard Industries Limited for more than 47

years and relinquished from the position of its Managing Director on 1st August, 2011.

He is on the Board of Standard Industries Limited, Stanplaza Limited and Vinadeep Investments Private Limited. He is a Member of the Shareholders'/Investors' Grievance Committee of Standard Industries Limited.

He is holding 300 Equity Shares of Rs.10 each in the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pardiwalla as a Director. Accordingly the Board recommends his re-appointment.

Shri Kersi J. Pardiwalla may be deemed to be interested or concerned in the Resolution.

3. Shri Madhusudan J. Mehta :

Shri Mehta, aged 67 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 more than last 12 years, he is with Shanudeep Pvt. Ltd., one of our Promoter Companies and 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., Stanrose Fund Management Services Ltd., Stanrose Mafatlal Lubechem Ltd. (In 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..

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mehta as a Director. Accordingly the Board recommends his re-appointment.

Shri Madhusudan J. Mehta may be deemed to be interested or concerned in the Resolution.

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

By Order of the Board
G. R. SHAH
Company Secretary

Ahmedabad, Dated : 27th April, 2012

STANROSE MAFATLAL
INVESTMENTS AND FINANCE LTD.

Regd. Office:- Popular House, 6th Floor, Ashram Road, Ahmedabad - 380 009.
Tel. No. 079-26580067/96. Email: investorcare@stanroseinvest.com

April 27, 2012

IMPORTANT COMMUNICATION FOR DIVIDEND PAYMENT

Dear Shareholder(s),

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

Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Electronic Mode of Remittance for payment of dividends. As per RBI's Notification, remittance of money through Electronic Clearing Service (ECS) has been replaced by NECS with effect from 1st October, 2009.

The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, wider coverage with no limitations of locations in India besides ease of operations for remitting agencies. NECS essentially operates on the new and unique Bank Account Number allotted by Banks, post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

In this regard, you are requested to furnish your Bank details including the new Bank Account Number allotted by the Banks post implementation of CBS, in the NECS Mandate Form printed overleaf, alongwith a blank cancelled cheque or a photocopy of a cheque pertaining to the concerned account; to the Company at its Registered Office in case you hold shares in physical or to the concerned Depository Participant (DP) in case you hold the shares in demat form.

In case you do not furnish the new Account Number as aforesaid, credit of dividend through NECS to your old Bank Account Number may be rejected or returned by the Banking System. However, in such cases the Company would issue physical Dividend Warrant/Demand Draft to the concerned shareholders post-such rejection.

NECS Mandates received after 31st July, 2012 will not be considered for current dividend. However, your updated account information will be used for future dividend payments, unless the same is amended or revoked by you. You can intimate the Company/Depository, as the case may be about the change in your account details in similar manner.

Thanking you, we remain,

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

G. R. SHAH
COMPANY SECRETARY

NECS MANDATE FORM

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO :

THE FOLLOWING ADDRESS IF THE
SHARES ARE HELD IN PHYSICAL FORM

OR

TO YOUR DP, IF THE SHARES
ARE HELD IN DEMAT FORM

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

I wish to avail of the National Electronic Clearing Service (NECS) facility towards my dividend payment, etc. I furnish hereunder the required particulars of my Bank to which direct credit is to be given

A. First/Sole Holder's Name	:			
B. Folio No./DP ID & Client ID No.	:			
C. Name of the Bank	:			
D. Name of the Branch	:			
E. Bank Address	:			
F. Account Type with Code No.	:	10 - S. B.	11 - CURRENT	13 - CASH CREDIT
G. Account Number (10 digit or more number only)	:			
H 9 Digit Code number of the Bank & Branch as appearing on the MICR cheque	:			
Please attach photocopy of the cheque/cancelled cheque				
I. Telephone Number (with STD code) of shareholder	:			
J. 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 could not be implemented because of incomplete or incorrect information or for reasons beyond the control of the Company.

Date : _____

Signature of Sole/First Shareholder

STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.

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

PROXY FORM

Regd. Folio No. No. of Shares held

DP ID No. Client ID No.

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

THIRTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 16th August, 2012 at 10.30 A.M. or at any adjournment thereof.

Signed this day of 2012

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)

32nd Annual General Meeting - August 16, 2012

DP ID No. Client ID No.

I hereby record my presence at the THIRTY-SECOND ANNUAL GENERAL MEETING of the Company held at Banquet Hall, Karnavati Club Ltd. S. G. Highway, Ahmedabad-380 058 at 10.30 A.M.

Full name of Member (In Block Letters)	Reg. Folio No.
Full name of Proxy (In Block Letters) (to be filled if the Proxy attends instead of the member)	No. of Shares held

Member's/Proxy's Signature

