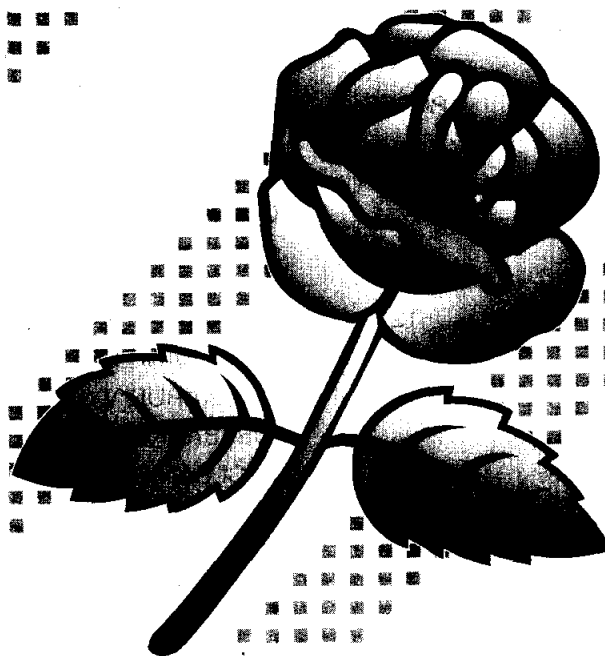


STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED



Report Junction.com

22ND
ANNUAL REPORT 2001-2002

STANROSE MAFATLAL

INVESTMENTS AND FINANCE LIMITED

TWENTY-SECOND Annual General Meeting

DATE : 27th September, 2002
DAY : Friday
TIME : 10.30 A.M.
VENUE : Thakorbhai Desai Hall,
Near Law Garden,
Ellisbridge,
Ahmedabad - 380 006.

BOARD OF DIRECTORS

SHRI RASESH N. MAFATLAL, *Chairman*
SHRI RUSSI JAL TARAPOREVALA
SHRI ARUN P. PATEL
SHRI RAJESH JAYKRISHNA
SHRI JAMSHED B. DADACHANJI
SHRI ROZAL J. MEHTA
SHRI JAYWANTSINH M. CHUDASAMA
SHRI PRADEEP R. MAFATLAL
SHRI CHETAN J. PARIKH

CONTENTS	PAGES
Board of Directors. etc.	2
Notice	3
Directors' Report	4
Corporate Governance	7
Auditors' Report	12
Balance Sheet	14
Profit and Loss Account	15
Schedules and Notes on Accounts	16
Cash Flow Statement	25
Statement relating to Subsidiary Companies	26
Consolidated Financial Statements (CFS) :	
Auditors Report on CFS	26
Consolidated Balance Sheet	27
Consolidated Profit & Loss Account	27
Schedules & Notes on CFS	28
Subsidiary Companies :	
Sandeep Traders and Investments Ltd.	35
Stanrose Holdings Ltd.	41
Proxy Form and Attendance Slip	47

CHIEF EXECUTIVE OFFICER

SHRI BHARAT N. DAVE

COMPANY SECRETARY

SHRI GIRISH R. SHAH

BANKERS

HDFC BANK LTD.
THE KARUR VYSYA BANK LTD.
IDBI BANK LTD.
ICICI BANK LTD.

AUDITORS

MESSRS C. C. CHOKSHI & COMPANY
Chartered Accountants

HEAD OFFICE

MAFATLAL CENTRE
NARIMAN POINT
MUMBAI-400 021

REGISTERED OFFICE

POPULAR HOUSE
ASHRAM ROAD
AHMEDABAD-380 009

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

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty-second Annual General Meeting of the Members of the Company will be held on Friday, the 27th day of September, 2002 at 10.30 A.M. at Thakorbhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006, to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the Financial Year ended on 31st March, 2002 and the Balance Sheet of the Company as on that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Rasesh N. Mafatlal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Rozal J. Mehta, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Shri Chetan J. Parikh, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:

Popular House,
Ashram Road,
Ahmedabad 380 009.

Mumbai,

Dated: 13th June, 2002.

By Order of the Board

G. R. SHAH
Secretary

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A

MEMBER. The proxy form, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

- (b) Members are requested to notify to the Company any change in their address.
- (c) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- (d) Members are requested to send his/her Bank Account details to ensure safe and prompt receipt of Dividend Warrants. This is in view of the fraudulent encashment of such warrants.
- (e) No tax will be deducted at source, if the dividend amount payable to an individual shareholder does not exceed Rs. 2,500/-. Shareholders who are entitled to receive dividend/ interest in aggregate not exceeding Rs.50,000/- during the financial year 2002-03 and who desire to receive dividend without deduction of tax may file with the Company a declaration in Form No. 15G, in duplicate, on or before 11th September, 2002.
- (f) In terms of Section 139 (5A) and (5B) of the Income-tax Act, 1961, the Company will be able to issue Tax Deduction Certificate, wherever applicable, only if Permanent Account Number (PAN) together with designation and particulars of the Ward/Circle or Range of Assessing Officer is furnished in time.
- (g) As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 and in accordance with the Listing Agreement, Abridged Annual Report containing the Directors' Report, Auditors' Report, Statement containing salient features of Balance Sheet and Profit and Loss Account is sent to the shareholders having the same address. These shareholders will be furnished with a copy of the unabridged Annual Report, on request.

Report  junction.com

STANDOSE MAFATLAL**DIRECTORS' REPORT**

To The Members,

STANDOSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Your Directors have pleasure in presenting the Twenty-second Annual Report together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2002.

FINANCIAL RESULTS:

	Current Year Rupees	Previous Year Rupees
Total Income	2,33,56,601	2,12,74,720
Gross Profit	1,58,37,720	1,43,47,448
Less: Depreciation	27,92,734	36,04,908
Profit before Tax	1,30,44,986	1,07,42,540
Less: Provision for Taxation	1,82,635	7,00,000
Profit after Tax	1,28,62,351	1,00,42,540
Add: Balance in Profit brought forward from Previous Year	1,58,87,908	1,70,19,298
	2,87,50,259	2,70,61,838
Less : Prior year's income no longer recoverable	3,20,000	4,18,634
Available for Appropriation	2,84,30,259	2,66,43,204
Transferred to Reserve u/s. 45 IC of RBI Act, 1934	25,80,000	20,10,000
Proposed Dividend	79,35,840	79,35,840
Tax on Dividend	---	8,09,456
Transferred to General Reserve No. II	10,14,638	---
Surplus carried to Balance Sheet	1,68,99,781	1,58,87,908

DIVIDEND

Your Directors recommend a Dividend of 20% (Rs.2/- per share) on 39,67,920 Equity Shares of Rs.10 each, subject to tax, for the financial year ended on 31st March, 2002 which, if approved by the Shareholders at the forthcoming Annual General Meeting to be held on 27th September, 2002, will be paid on 18th October, 2002 to those Shareholders whose names appear on the Register of Members of the Company on 23rd August, 2002.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**Industry structure and developments**

The Non-Banking Financial Services (NBFC) industry in private sector in India is represented by a mix of few large and national level companies and a large number of small and medium sized, regional and local companies. These NBFCs provide a variety of services including fund-based and fee-based activities as well as cater to retail and non-retail markets and niche segments.

As a part of economic reforms, the government is reducing the interest rate to lower the overall finance cost. In spite of this and other banking reforms, no major momentum is

witnessed in credit offtake by the industrial sector including core industries.

The imposition of stricter registration and other regulatory compliance requirements over the years have led to better investor protection and an improved overall industry environment.

Financial Review

Your Company, being one of the medium sized private sector Non-Banking Finance Company (NBFC) has reported satisfactory financial and operating performance during the year ended 31st March, 2002.

The gross income for the year increased by about 10% to Rs.233.57 Lacs compared to Rs.212.75 Lacs in the previous year. Profit after tax has also increased from Rs.100.43 Lacs to Rs.128.62 Lacs.

Depreciation was lower at Rs.27.93 Lacs (Previous Year Rs.36.05 Lacs). In the current year the Company is liable to Minimum Alternative Tax (MAT) of Rs.4.50 Lacs (including Wealth Tax), however as the working of the deferred tax results in Tax Asset of Rs.2.67 Lacs, the Company has provided Rs.1.83 Lacs for tax provision from current profits (Previous Year Rs.7.00 Lacs). The gross profit for the year is higher at Rs.158.38 Lacs against Rs.143.47 Lacs in the previous year, mainly due to good return on funds deployed in various Income-based Mutual Funds.

The amount of notional liability for cumulative deferred tax as at 31st March, 2001 of Rs.23.67 Lacs, worked out as per Accounting Standard-22 has been adjusted from General Reserve I on 1st April, 2001.

A provision of Rs.6.65 Lacs has been made for diminution in value of Units of UTI (Scheme 1964) and a like amount is drawn from General Reserve No. II created for such contingencies.

Business Review

The business of the Company, inter alia, consists of Intercompany Investments, Leasing and Hire Purchase, Trading in Shares & Securities and Finance. Segmentwise brief outline of financial and operational performance is as under:

(i) Intercompany Investments

The Company's investment portfolio is reviewed from time to time. Details of the Company's investments are given in Schedule 5 of the Balance Sheet of the Company as at 31st March, 2002. The total worth of Company's Quoted and Unquoted Investments (including Stock-in-trade) as at 31st March, 2002 is Rs.2398.81 Lacs, which reflects a general decline in the market capitalisation in the prevailing Capital Market conditions.

During the year under report, the Company has deployed additional funds of Rs.20.87 Lacs in equity shares and Rs.82.48 Lacs in the Units of certain Income-based Mutual Funds besides net increase of Rs.251.62 Lacs in Stock-in-trade (including investment in Income-based Mutual Funds) whereas it realised certain investments of the aggregate book-value of Rs.48.92 Lacs from Equity and Rs.173.50 Lacs from

Mutual Funds, Government Securities and Institutional Bonds aggregating to Rs.222.42 Lacs.

During the year under report, the Company has made a net profit on sale of long-term investments of Rs.76.96 Lacs against Rs.100.66 Lacs in the previous year.

During the year, the Company has earned income by way of Dividend of Rs.89.73 Lacs against Rs.30.52 Lacs in the previous year. Equity Dividend has increased by Rs.28.08 Lacs whereas the Company has earned Dividend of Rs.31.14 Lacs from Mutual Funds, during the year under report.

(ii) Leasing and Hire Purchase

As reported earlier, in view of the adverse market forces, the Company has stopped further funding for industrial and car finance under lease and hire purchase business. Consequently, the income from these sources kept on decreasing year after year which stood at Rs.27.04 Lacs as compared to Rs.50.87 Lacs in the previous year.

(iii) Trading in Shares and Securities

During the year under review the Company kept on concentrating its focus on trading in equity and has made a profit of Rs.11.44 Lacs against Rs.16.30 Lacs, considering the value of investments at original cost of acquisition.

In view of the uncertainties prevailing in the Capital Market, Equity trading was kept on very low volume with little trading in derivative products.

(iv) Finance

The Interest income has reduced to Rs.11.32 Lacs from Rs.34.95 Lacs. This decrease is mainly due to shifting of funds from Badla Finance to Income-based Mutual Funds, the income on which is either considered under the Dividend or Capital gain and not as interest income.

Outlook

The Company is likely to continue to maintain its focus on capital market activities including trading in securities and emerging products in derivatives.

The Company will also look for any attractive opportunities in other growth areas in the financial services sector.

Risk and concern

The Company is exposed to the normal industry risk factors of interest rate volatility, credit risk, market risk and operational risk. It manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

With lower and lower interest regime, the Company's gross income may suffer a setback as being a finance company its main income is return/yield on its deployable funds.

Adequacy of Internal Control

The Company has proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorised use or disposition of

assets and that the transactions are authorised, recorded and reported correctly.

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

The Board has already formed an Audit Committee of the Board of Directors which also keeps on reviewing the adequacy of internal controls.

Human Resource Development (HRD)

The Company has able and experienced industry professionals and employees. During the year the strength of the employees remained intact.

Opportunities

The services sectors in India are generally expected to grow at a faster pace compared to overall economy in the future. This is likely to create a positive environment for the financial services industry in India. The Company shall endeavour to take advantage of the emerging growth opportunities in the Indian economy.

Threats

The Company faces normal market competition in its business. The working of the NBFCs continue to be adversely affected by defaults due to recession and absence of proper and speedier recovery laws and procedures; paucity of funds; over-regulation; lack of level-playing field; additive tax treatments and disallowance and encroachment by unprofessional and inexperienced fly-by-night operators in the industry. The Company's healthy financial position and adoption of suitable business strategies have enabled it to consistently post satisfactory performance despite difficult conditions, when a number of other companies in the sector are finding it difficult to survive.

The continuance of slow down in economy coupled with the reduction in the interest rates would continue to affect the income level of your Company in the current year. However, with the effective control over the expenses and prudent deployment of available resources, the Management is hopeful of maintaining satisfactory results.

AMALGAMATION OF SUBSIDIARY COMPANIES WITH MAFATLAL LUBRICANTS LIMITED

As a part of overall restructuring process, the amalgamation of the two wholly owned subsidiary companies viz. Sandeep Traders and Investments Limited and Stanrose Holdings Limited with a company in which the Company holds substantial equity stake, viz. Mafatlal Lubricants Limited, with effect from 1st April, 2001, subject to requisite approvals and formalities, was announced after the close of the year. Mafatlal Lubricant Limited has also proposed to effect the reduction in its paid-up capital from Rs.10 to Re.0.50 per share and simultaneous consolidation of 10 such shares into 1 share of Rs.5/- and change in its name as STANROSE MAFATLAL LUBECHEM LIMITED, as a part of amalgamation process. As per the proposed share exchange ratio, the Company would become eligible to receive about 41 Lacs Equity Shares of Rs 5/- each of Mafatlal Lubricants Limited against its combined holding

STANDROSE MAFATLAL

of about Rs.60 Lacs in the equity of two subsidiary companies. Upon such allotment the amalgamated Company Stanrose Mafatlal Lubchem Ltd. would become the subsidiary of the Company.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is furnished as a part of Directors' Report and the Certificate from the Company's Auditors regarding compliance of the conditions of Corporate Governance is annexed to the said Report.

FIXED DEPOSITS

During the year under review, the Company has not accepted or renewed any public deposits. Public Deposits at the end of the Financial Year stood at Rs.NIL against Rs.0.54 Lac as at 31st March, 2001. The Company has got its classification changed as 'NBFC not accepting public deposits' whereupon the Reserve Bank of India has issued a fresh Certificate of Registration on 11th September, 2001.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

1. In the preparation of the annual accounts the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgements 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, 2002 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, 2002 have been prepared on a 'going concern' basis.

SUBSIDIARIES

As reported hereinabove, the two wholly-owned subsidiary companies namely Sandeep Traders and Investments Limited and Stanrose Holdings Limited are being amalgamated with Mafatlal Lubricants Limited, with effect from 1st April, 2001. The amalgamation procedures are going on and it will take some time to obtain the final orders from the Hon'ble High Courts at Ahmedabad and Mumbai, approving the Scheme of Amalgamation and thereafter finalise the combined audited Accounts for the Accounting Year ended 31st March, 2002, post-amalgamation. Therefore, the annual accounts for the year ended 31st March, 2002 are presently prepared by them on stand-alone basis. Such audited Statements of Accounts prepared on stand-alone basis and Directors' Report for the financial year ended on 31st March, 2002 of Sandeep

Traders and Investments Limited and Stanrose Holdings Limited are annexed hereto, as required under Section 212 of the Companies Act, 1956.

DIRECTORATE

Shri J. B. Dadachanji has resigned as a Director of the Company with effect from 13th June, 2002. Your Directors placed on record their appreciation of the valuable services rendered by Shri Dadachanji during his tenure as a Director.

Pursuant to Article 155 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Shri Rasesh N. Mafatlal, Shri Rozal J. Mehta and Shri Chetan J. Parikh, Directors of the Company, are due to retire at the ensuing Annual General Meeting and are eligible for re-appointment. Brief resumes of these Directors are given in the report under Corporate Governance.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274 of the Companies Act, 1956.

AUDITORS

You are requested to appoint Auditors for the current year to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and give complete information.

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

The 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
RASESH N. MAFATLAL
Chairman

Mumbai,
Dated : 13th June, 2002

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

CORPORATE GOVERNANCE

18.4.2001, 27.6.2001, 21.9.2001, 30.10.2001, 27.2.2002 and 8.3.2002.

INTRODUCTION

Company's Philosophy on Corporate Governance

The Company has been practising the principles of corporate governance with an emphasis on transparency and accountability long before these requirements evolved into a regulatory framework, and the Company continues its efforts to improve the emphasis and thereby attempt to ensure that the requirements of the Listing Agreement are fulfilled.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

1. BOARD OF DIRECTORS

A. The constitution of the Board and attendance of each Director at the Board Meetings during the year 2001-02 and at the last Annual General Meeting : (See TABLE 1 given at the bottom)

B. Number of Board Meetings held and the dates on which such Meetings were held:

Six Board Meetings were held during the year on

2. AUDIT COMMITTEE

The Company has constituted an Audit Committee comprising of three independent Non-Executive Directors viz. Shri Arun P. Patel, Chairman of the Committee, Shri Rajesh Jaykrishna and Shri Rozal J. Mehta.

The term of reference of this Committee is wide enough covering the matters specified for Audit Committee under the Listing Agreement.

During the year the Committee met thrice. Shri Arun P. Patel and Shri Rajesh Jaykrishna were present at all the meetings whereas Shri Rozal J. Mehta had attended one.

3. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

i) Name of non-executive Director heading the Committee: Shri Russi Jal Taraporevala

ii) Name and designation of Compliance Officer: Shri Girish R. Shah, Company Secretary

TABLE : 1

Name of Director	Category of Director	No. of Other Directorships *	No. of Other Committee Memberships**	Attendance	
				Board Mtgs.	Last AGM
1. Shri Rasesh N. Mafatlal Chairman	Non-Independent Non-Executive	5 (Chairman of 3)	—	6	Yes
2. Shri Russi Jal Taraporevala	Independent Non-Executive	5	6 (Chairman of 3)	3	No
3. Shri Arun P. Patel	Independent Non-Executive	6	—	5	Yes
4. Shri Rajesh Jaykrishna	Independent Non-Executive	1	—	4	Yes
5. *** Shri Jamshed B. Dadachanji	Independent Non-Executive	10	4	1	No
6. Shri Rozal J. Mehta	Independent Non-Executive	4	1	5	Yes
7. Shri Jaywantsinh M. Chudasama	Independent Non-Executive	—	—	6	Yes
8. Shri Pradeep R. Mafatlal	Non-Independent Non-Executive	6 (Chairman of 3)	1	4	No
9. Shri Chetan J. Parikh	Non-Independent Non-Executive	—	—	6	Yes

* No. of Directorships held in other companies exclude Directorships in Pvt. Ltd. Companies, Foreign Companies and Alternate Directorships.

** No. of Committee Memberships held on other companies exclude Committees other than Audit Committee, Shareholders/Investors' Grievance Committee, Remuneration Committee and of companies other than Public Limited Companies.

*** Shri Dadachanji has ceased to be a Director w.e.f. 13th June, 2002.

STANDROSE MAFATLAL

- iii) Number of shareholders' complaints received so far : During the year 2001-02, the Company has received about 1650 communications from its shareholders pertaining to transfer of shares, deletion of names, registration of power of attorneys, re-validation of Dividend Warrants, change of address and rationalisation of odd lot holding, etc. - All were attended to the satisfaction of the members.
- iv) Number not solved to the satisfaction of shareholders: Nil
- v) Number of pending share transfers: 62 requests for transfer were pending for approval as on 31-3-2002, which were approved on 1st April, 2002.

4. DIRECTORS' REMUNERATION DURING 2001-2002

The Company is a Board Managed Company and there is not a single Executive Director on its Board. The Directors are paid Sitting Fees for attending the Meetings of the Board/Committees (except Share Transfer Committee) and a commission upto 3% of the net profits as determined under Section 349 and 350 of the Companies Act, 1956 as per General Body Resolution. Within this 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/payable for the year 2001-02 are as per TABLE NO. 2 given at the bottom.

5. GENERAL BODY MEETINGS :

- i) Location and time, where last three AGMs were held:
- Thakorbhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 6.
- Dt. 21-9-2001 - 10.30 A.M.
Dt. 15-9-2000 - 10.30 A.M.
Dt. 27-7-1999 - 10.30 A.M.
- 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 to be conducted.
- iii) Whether Special Resolutions are proposed to be conducted through postal ballot: No
- iv) Procedure for postal ballot: Not applicable

6. 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 2001-02, the Company had no materially significant related party transactions which are considered to have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Notes on Accounts in the Annual Report.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years:

None.

7. MEANS OF COMMUNICATION

- i) Half-yearly report sent to each household of shareholders: No
- ii) Quarterly results:
- Which newspapers normally published in : Economic Times and Jai Hind (Gujarati daily) - Ahmedabad Editions and Janmabhoomi (Gujarati daily) - Mumbai Edition.
- Any website where results or official news are displayed - No
- iii) Whether it also displays official news releases and the presentations made to institutional investors or to the analysts - No.
- iv) Whether MD&A is a part of annual report or not - Yes.

8. GENERAL SHAREHOLDERS INFORMATION

- (a) Disclosure regarding re-appointment of Directors:

At the Annual General Meeting, Shri Rasesh N.

TABLE NO. 2

Name of Director	Sitting Fee Rs.	Commission Rs.	Total Rs.
Shri Rasesh N. Mafatlal	7,000	30,000	37,000
Shri Russi Jai Taraporevala	5,000	15,000	20,000
Shri Arun P. Patel	8,000	15,000	23,000
Shri Rajesh Jaykrishna	7,000	15,000	22,000
Shri Jamshed B. Dadachanji	1,000	15,000	16,000
Shri Rozal J. Mehta	8,000	15,000	23,000
Shri Jaywantsinh M. Chudasama	6,000	15,000	21,000
Shri Pradeep R. Mafatlal	6,000	15,000	21,000
Shri Chetan J. Parikh	8,000	15,000	23,000

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Mafatlal, Shri Rozal J. Mehta and Shri Chetan J. Parikh retire by rotation and being eligible offer themselves for re-appointment, brief particulars about them are given below:

Shri Rasesh N. Mafatlal

Shri Rasesh N. Mafatlal graduated in Arts with Honours from St. Xavier's College, Mumbai. He has wide and varied knowledge and experience in business spanning over five decades. His activities are not merely confined to business and industry. He is actively associated with various Public and Educational Institutions and Charitable Trusts. He is the Chairman of several companies within the Stanrose Mafatlal Group viz. Standard Industries Limited, Shanudeep Pvt. Ltd., Stanrose Mafatlal Investments and Finance Limited and Mafatlal Lubricants Ltd. He is also the Chairman on the Board of Virat Industries Limited. In addition he is a Director of Industrial Investment Trust Ltd. and Hindustan Oil Exploration Company Ltd. Shri Mafatlal was the Chairman of Mill owners' Association in the year 1975 and also of Indian Cotton Mills' Federation in the year 1977. Being associated with various Public and Charitable Institutions, he is the Chairman of the Managing Committee of the Pransukhlal Mafatlal Hindu Swimming Bath and Boat Club Trust, Member of the Governing Council of Ahmedabad Education Society, Trustee of Parichay Trust, Bharatiya Vidya Bhavan and Chairman of Navinchandra Mafatlal Sadguru Water and Development Foundation.

Shri Rozal J. Mehta

Shri Rozal J. Mehta, aged 57 years has studied in England and is a well-known Industrialist. He has a very wide experience in industry, finance and corporate affairs.

He is a Director on the Board of Mahindra Realty & Infrastructure Developers Ltd., Ramani Hotel Ltd., Peass Industrial Engineers Ltd., Rodal Investments Pvt. Ltd., Nacosi Fabrics Pvt. Ltd., Mimosa Investments Pvt. Ltd., Port Investments Pvt. Ltd., Kamet Investments Pvt. Ltd., Ridge Business Centre Pvt. Ltd., Sam Knits Pvt. Ltd., Ma Shri Kami Exports Pvt. Ltd. and Suryakrupa Finance Ltd.

Shri Rozal J. Mehta is a member of the Audit Committee of Mahindra Realty & Infrastructure Developers Ltd. and is also a member of the Audit Committee of the Company.

Shri Chetan J. Parikh

Shri Chetan J. Parikh, aged 44 years, is MBA from Wharton - University of Pennsylvania, USA and an eminent Financial Analyst. He possesses wide experience and sound background for dealing in Capital Market related activities, which is the core business of the Company. He is on the Board of Jeetay Investments Pvt. Ltd., Ceeparikh

Investments Pvt. Ltd., Leasecon Investments Pvt. Ltd., Pratijit Investments Pvt. Ltd., Veeparikh Investments Pvt. Ltd. and Cerebrum Online Pvt. Ltd.

(b) 22nd Annual General Meeting**Date & Time :**

27th September, 2002 at 10.30 A.M.

Venue :

Thakorbhai Desai Hall,
Near Law Garden, Ellisbridge, Ahmedabad - 6.

(c) Financial Calendar:**Financial Year :**

1st April to 31st March

First Quarterly Result :

Last Week of July

AGM for the year ended 31st March, 2002 :

27th September, 2002

Second Quarterly Result :

Last Week of October

Third Quarterly Result :

Last Week of January

Annual Results for the year ending 31-3-2003 :

Audited Results by the end of June, 2003

(d) Book Closure Dates for AGM & Dividend :

12th August, 2002 to 23rd August, 2002

(both days inclusive)

(e) Dividend Payment Date :

18th October, 2002

(f) 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 as required under Section 205A(5) of the Companies Act, 1956, within the prescribed time limit. The members, therefore, may submit their claims, if any, in this regard to the Registrar of Companies, Gujarat, at C.G.O. Complex, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, AHMEDABAD - 380 013.

(ii) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended on 30th September, 1995 and thereafter which remains unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' of the Central Government.

The unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as per TABLE NO. 3 given hereafter :

STANDROSE MAFATLAL**TABLE NO. : 3**

Dividend No.	For the Year ended	Date of Declaration	Due for Transfer on
15th	30-9-1995	16-2-1996	1-4-2003
16th	30-9-1996	14-3-1997	26-3-2004
17th	30-9-1997	13-2-1998	26-3-2005
18th	31-3-1999	27-7-1999	9-9-2006
*19th	31-3-2000	29-3-2000	24-5-2007
20th	31-3-2001	21-9-2001	26-10-2008

* Interim Dividend

Members who have not encashed/received their Dividend Warrants so far for the Financial Year ended on 30th September, 1995, or any subsequent years are requested to make their claim to the Company for revalidation/ obtaining duplicate Dividend Warrants.

It may be noted that once the unclaimed dividend is transferred to the prescribed fund, as above, no claim shall lie in respect thereof.

(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 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 to or contact Shri H. K. Dave,

Share Superintendent of the Company 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.

(h) Nomination Facility

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

(i) Listing on the Stock Exchanges and Stock Code:

The Equity Shares of the Company are listed on The Stock Exchange, Ahmedabad (ASE) and the Stock Exchange, Mumbai (BSE). The Company has paid Annual Listing Fees for the period 1st April, 2002 to 31st March, 2003. The shares of the Company are traded on ASE under Stock Code No. 51710 and on BSE/B2 Group under Stock Code No. 6105, in physical form.

(j) Share Transfer System

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

(k) Address for correspondence:

601, Popular House, Ashram Road, Ahmedabad - 380 009.

(i) (ii) Distribution of Shareholding as on 31st March, 2002 :**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	668	1.44	1.44	668	0.02	0.02
2.	2	10616	22.88	24.32	21232	0.53	0.55
3.	3	172	0.37	24.69	516	0.01	0.56
4.	4	16034	34.56	59.25	64136	1.62	2.18
5.	5	81	0.17	59.42	405	0.01	2.19
6.	6 to 10	3753	8.09	67.51	27091	0.68	2.87
7.	11 to 20	6874	14.82	82.33	104720	2.64	5.51
8.	21 to 49	3663	7.90	90.23	119523	3.01	8.52
9.	50	673	1.45	91.68	33650	0.85	9.37
10.	51 to 100	1947	4.20	95.88	148053	3.73	13.10
11.	101 to 500	1603	3.46	99.34	336746	8.49	21.59
12.	501 to 1000	153	0.33	99.67	105864	2.67	24.26
13.	1001 & more	159	0.33	100.00	3005316	75.74	100.00
		46396	100.00		3967920	100.00	