

STANROSE MAFATLAL
INVESTMENTS AND FINANCE LIMITED



30TH

ANNUAL REPORT 2009-2010

STANROSE MAFATLAL

INVESTMENTS AND FINANCE LIMITED

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

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

DIRECTORS' REPORT

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

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

FINANCIAL RESULTS:

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

DIVIDEND

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

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

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

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

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

Financial Review

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

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

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

Industry Structure and Developments

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

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

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

Business Review

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

(i) Inter-corporate Investments

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

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

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

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

(ii) Trading in Securities

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

(iii) Finance

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

Opportunities and Threats

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

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

Outlook

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

Risk and Concern

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

Adequacy of Internal Control

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

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

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

Human Resource Development (HRD)

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

CORPORATE GOVERNANCE

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

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

FIXED DEPOSITS

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

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, 2010, the applicable accounting standards have been followed and that there are no material departures from the same;
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual Accounts for the Financial Year ended 31st March, 2010 have been prepared on a 'going concern' basis.

SUBSIDIARIES

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

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

DIRECTORATE

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

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

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

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

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

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

AUDITORS AND AUDITORS' REPORT

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

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

Mumbai,
Dated : 3rd June, 2010.

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

REPORT ON CORPORATE GOVERNANCE

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

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

Company's Philosophy on Corporate Governance

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

1. BOARD OF DIRECTORS:

(A) Composition of the Board:

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

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

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

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

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

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

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

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

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

* Excludes Private and Foreign Companies.

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

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

2. CODE OF CONDUCT:

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

3. CEO / CFO CERTIFICATION :

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

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

4. COMMITTEES OF THE BOARD:

(a) Audit Committee:

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

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

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

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

(b) Shareholders'/Investors' Grievance Committee

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

- iii) Number of shareholders' complaints received: During the year 2009-10, the Company has received 9 complaints in the aggregate pertaining to transfer of shares, non-receipt of declared Dividend, non-receipt of balance sheet, etc. and all of them have been resolved by furnishing requisite information/documents.
- iv) Number not solved to the satisfaction of shareholders: NIL
- v) Number of pending share transfers: 84 requests for transfer were pending for approval as on 31st March, 2010, which were approved on 1st April, 2010.
- vi) During the year the Committee met once. Shri Russi Jal Taraporevala, Shri Pradeep R. Mafatlal and Shri Chetan J. Parikh attended the Meeting.

5. RISK MANAGEMENT:

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

6. SUBSIDIARY COMPANIES:

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

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

7. DIRECTORS' REMUNERATION DURING 2009-10:

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

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

8. GENERAL BODY MEETINGS:

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

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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

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

9. DISCLOSURES

- (a) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of company at large:

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

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

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDERS INFORMATION

(a) 30th Annual General Meeting

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

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

(b) Financial Calendar (tentative) :

Financial Year :

1st April to 31st March

Financial Reporting for :

Quarter ending 30-06-2010:

By 14th August, 2010.

Quarter ending 30-09-2010 :

By 14th November, 2010.

Quarter ending 31-12-2010 :

By 14th February, 2011

Year ending 31-3-2011 :

Audited Results by 30th May, 2011.

(c) Book Closure Dates for AGM & Dividend :

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

(d) Dividend Payment Date :

From 30th August, 2010

(e) Unpaid Dividend :

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

TABLE NO. 2 (Reference : Para 7)

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

[@] Including Joint Holding.

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

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

TABLE NO. : 3

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

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

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

(f) NECS Mandate/Bank Mandate

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

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

To the Members who have not opted for ECS, the Company requests them to avail of the NECS Mandate facility as this not only protects a shareholder against fraudulent interception and encashment of Dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure to send your instructions/NECS Mandate/Bank Mandate on or before 31st July, 2010, to facilitate receipt of dividend. Please note that if your new Bank Account is not informed as aforesaid, payment of your dividend to your old bank account number may either be rejected or returned

(g) Rationalisation of Odd Lot Holdings

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

(h) Nomination Facility

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

(i) Share Transfer System

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

(j) PAN Requirement for Transfer of Shares etc. in physical form

In case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-certified photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, alongwith necessary documents at the time of lodgement of request for these transactions, is now mandatory.

(k) Address for Correspondence:

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

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

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

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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

TABLE NO. 4

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

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

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

(n) Stock Market Data :

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

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

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

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

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

(o) Registrar and Share Transfer Agent

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

(p) Dematerialisation of Shares and Liquidity

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

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

On behalf of the Board
Pradeep R. Mafatlal
Chairman

Mumbai
Dated : 3rd June, 2010