

# STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

REGD. OFFICE :  
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ASHRAM ROAD,  
AHMEDABAD-380 009.  
CIN - L65910GJ1980PLC003731

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KT/133/J

July 17, 2019

BSE Ltd.,  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001.

Dear Sirs,

**Sub: Compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Security Code: 506105

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report for the Financial Year 2018-19 along with the Notice of Annual General Meeting, which is being dispatched/sent to the members through courier/e-mail.

The same is also available on the Company's website, [www.stanroseinvest.com](http://www.stanroseinvest.com)

Kindly take the same on your record.

Thanking you, we remain,

Yours faithfully,  
For STANROSE MAFATLAL  
INVESTMENTS AND FINANCE LIMITED

(SOHAM A. DAVE)  
COMPANY SECRETARY

Encl: a/a.

**STANROSE MAFATLAL  
INVESTMENTS AND FINANCE LIMITED**



**39<sup>TH</sup>**

**ANNUAL REPORT 2018-2019**

# STANROSE MAFATLAL

## INVESTMENTS AND FINANCE LIMITED

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<b>STATUTORY AUDITORS</b>		<b>CORPORATE OFFICE</b>
MANUBHAI & SHAH LLP		VIJYALAXMI MAFATLAL CENTRE
Chartered Accountants		57-A, DR. G. DESHMUKH MARG,
		MUMBAI - 400 026.
<b>SECRETARIAL AUDITORS</b>		<b>SHARE TRANSFER AGENT</b>
MANOJ HURKAT & ASSOCIATES		LINK INTIME (INDIA) PVT. LTD.,
Company Secretaries		5th Floor, 506-508,
		Amarnath Business Centre-1 (ABC-1),
<b>REGISTERED OFFICE</b>		B/s. Gala Business Centre,
6TH FLOOR, POPULAR HOUSE,		Nr. St. Xavier's College Corner,
ASHRAM ROAD, AHMEDABAD-380 009,		Off C. G. Road, Ellisbridge,
GUJARAT.		Ahmedabad - 380 006
Email: <a href="mailto:info@stanroseinvest.com">info@stanroseinvest.com</a>		Tel. 079 26465179
Website: <a href="http://www.stanroseinvest.com">www.stanroseinvest.com</a>		Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>
		Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>LISTED ON : BSE, CODE : 506105</b>		
<b>DEMAT CODE : ISIN : INE441L01015</b>		

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-Ninth Annual General Meeting on August 23, 2019 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-Ninth Annual Report together with the Audited Statements of Account of the Company for the financial year ended 31st March, 2019.

**FINANCIAL RESULTS**

	<i>(Rupees in Lacs)</i>	
	<b>Current Year</b>	<b>Previous Year</b>
	<b>Rupees</b>	<b>Rupees</b>
Total Income	<b>510.42</b>	912.32
Gross Profit	<b>83.27</b>	440.99
Less : Depreciation	<b>34.51</b>	40.92
Profit before Tax	<b>48.76</b>	481.91
Less: Provision for Taxation	<b>2.37</b>	68.78
Less : <i>Exceptional Item</i>	<b>(17.88)</b>	72.60
<i>Adjustments of earlier years Tax</i>	<b>(6.06)</b>	(1.22)
Profit after Tax	<b>70.33</b>	341.75
Add: Profit brought forward from Previous Year	<b>1717.44</b>	1742.24
Balance Available for Appropriations	<b>1787.77</b>	2083.98
Less: Transfer to Reserve u/s. 45 IC of RBI Act, 1934	<b>15.00</b>	70.00
Transfer to General Reserve-I	<b>5.00</b>	10.00
Transfer to General Reserve-II	<b>—</b>	—
Dividend Paid	<b>238.07</b>	238.07
Tax on Dividend	<b>48.47</b>	48.47
Balance carried forward	<b>1481.23</b>	1717.44

**DIVIDEND**

Your Directors recommend a Dividend of Rs. 6/- per share (Previous Year Rs.6/-) on 39,67,920 Equity Shares of Rs.10 each aggregating to Rs. 287.01 Lacs (inclusive of dividend tax) for the financial year ended on 31st March, 2019. If approved by the Shareholders at the forthcoming Annual General Meeting to be held on August 23, 2019, the said dividend will be paid on September 6, 2019 or thereafter, to (i) those shareholders whose names appear on the Register of Members of the Company on August 16, 2019 and (ii) those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, for the purpose.

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

The total income for the year was Rs. 510.42 Lacs as compared to Rs. 912.32 Lacs in the previous year. Depreciation was Rs. 34.51 Lacs (Previous Year Rs. 40.92 Lacs). The Provision for Taxation: (i) for the year under report was Rs. 2.37 Lacs, (ii) Adjustments of earlier year

tax was Rs. 6.06 Lacs. Profit after tax was Rs. 70.33 Lacs.

An amount of Rs.15.00 Lacs was transferred to Statutory Reserve Fund pursuant to Section 45 IC of RBI Act, 1934, an amount of Rs. 5.00 Lacs was transferred to General Reserve I, during the year under review.

The Net Worth of the Company as at 31st March, 2019 stood at Rs. 5585.53 Lacs as against Rs. 5802.21 Lacs on 31st March, 2018.

**NBFC INDUSTRY**

The NBFC (Non-Banking Finance Company) sector has evolved considerably in terms of its size, operations, technological sophistication and entry into newer areas of financial services and products. NBFCs are now deeply interconnected with the entities in the financial sector, on both sides of their balance sheets.

Being financial entities, they are exposed to risks arising out of counterparty failures, funding and asset concentration, interest rate movement and risks pertaining to liquidity and solvency, as any other financial sector player.

**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 to buy securities to add to the Portfolio or to sell in order to make Capital gains. Details of the Company's investments are given under Note No. 9 to Financial Statements of the Company for the year ended on 31st March, 2019. The total worth of Company's Quoted and Unquoted Investments in Shares and Securities (Including Stock-in-trade) as at 31st March, 2019 is Rs. 3682.99 Lacs (Previous Year Rs. 4305.22 Lacs) which is 35.49 % (Previous Year 48.31%) higher than related Book Value. The decrease in Book Value from 48.31% to 35.49% is mainly on account of decrease in the market value of some of the shares, purchase of new shares at current-higher rates and sale of old-low cost shares from Non-current Investment portfolio.

During the year under report the Company:

- (a) has made disinvestment of Rs. 281.84 Lacs from its Non-current Quoted and Non-Quoted Equity Investments as against Rs. 568.29 Lacs in the Previous Year.
- (b) booked a net profit of Rs. 352.59 Lacs on sale of Non-Current investments as against Rs. 731.26 Lacs in the previous year..
- (c) earned income by way of Dividend of Rs. 137.67 Lacs against Rs.103.94 Lacs in the

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

previous year which inter alia includes Rs. 124.04 Lacs (Previous year Rs. 93.03 Lacs) received from Standard Industries Ltd.

After the close of the Financial Year ended on March 31, 2019, the Company has booked Net Capital Gain of Rs. 339.56 Lacs on sale of certain Non-Current Investments in shares of the aggregate book value of Rs. 261.24 Lacs.

### (ii) Finance

#### Interest on Inter-corporate Deposit:

During the year under report the Company earned interest income on Inter Corporate Deposits of Rs. 3.67 Lacs as against Rs. NIL in the previous year.

#### Changes in Key Financial Ratios

Sr. No.	Ratios	F.Y. 2018-19	F.Y. 2017-18
1.	Current Ratio	34.31	19.84
2.	Debt Equity Ratio	0.23	0.25
3.	Operating Profit Margin (%)	13.06%	44.86%
4.	Net Profit Margin (%)	13.78%	37.46%
5.	Return on Net Worth (%)	17.72%	86.13%

**Note:** The Company is not having any Debt/Borrowings as at 31st March, 2019. Also, the Company is not into the Customer based products which are manufactured/produced by the Company. Hence, as required under Part B of Schedule V to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, ratios such as Debtors Turnover Ratio, Inventory Turnover Ratio and Interest Coverage Ratio have not been provided.

#### 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 its surplus funds 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 and market risks. The Company has 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. 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 compliances with all regulatory guidelines.

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

#### Human Resources

Relations remained cordial with employees at all levels during the year.

#### CORPORATE GOVERNANCE

The Company has complied with applicable provisions of Corporate Governance as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditors' Certificate.

#### DEPOSITS

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, 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, 2019, 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, 2019 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

## STANROSE MAFATLAL

records in accordance with the provisions of the Companies Act, 2013, 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, 2019 have been prepared on a 'going concern' basis.
5. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
6. Proper systems devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### SUBSIDIARY COMPANIES

The Company's wholly owned subsidiary, Stan Plaza Limited is a Non-Listed Company, having its Registered Office at Mumbai. As on March 31, 2019, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it will be termed as a Non-Material Subsidiary of the Company.

Stanrose Mafatlal Lubechem Limited - In Liquidation, a substantially owned subsidiary of the Company was ordered to wind-up by the High Court of Mumbai vide its Order dated June 10, 2011 and appointed the Official Liquidator to take charge of its Assets, Bank Accounts, Books of Accounts, Affairs, Business and Properties with all powers under the then provisions of the Companies Act, 1956.

In compliance with the requirements of the provisions of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, a Statement in Form AOC-1 containing the salient features of financial statements in respect of Stan Plaza Limited, a wholly owned subsidiary of the Company has been included as a part of this Annual Report. Stanrose Mafatlal Lubechem Limited being inoperative, its details are not disclosed in Form AOC-1.

The Company has framed a 'Policy for Determining Material Subsidiaries' for identifying material subsidiaries and to provide governance framework for such material subsidiaries. The policy is available on the website of the Company, [www.stanroseinvest.com](http://www.stanroseinvest.com).

### AMALGAMATION OF SURCOT TRADING PRIVATE LIMITED (STPL) AND UMIYA REAL ESTATE PRIVATE LIMITED (UREPL) ("THE TRANSFEROR COMPANIES") WITH STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED (SMIFL) ("THE TRANSFEREE COMPANY")

As reported last year, the Board of Directors of the Company, at its meeting held on 13th March, 2018 had approved the proposed Scheme of Amalgamation of Surcot Trading Private Limited and Umiya Real Estate Private Limited ("the Transferor Companies") with Stanrose Mafatlal Investments and Finance Limited ("the Transferee Company") to be undertaken by way of scheme of

arrangement, subject to receipt of all necessary consents and approvals, including the approval of shareholders and creditors (if any) and the sanction of the Hon'ble National Company Law Tribunal (NCLT), SEBI, BSE Limited and such other competent authorities as may be applicable.

The Company has already received No-Objection Certificate from BSE Limited/SEBI on 14th November, 2018. Thereby, the Company has filed an application with the NCLT-Ahmedabad Bench for conveying the meeting of the Equity Shareholders and waiving of meeting of creditors as there were none. NCLT-Ahmedabad Bench ordered on 16th January, 2019 for conveying the meeting of the equity Shareholders on 22nd February, 2019 and waiving the meeting of the Creditors.

As on date, after obtaining the approval of the Shareholders, Registrar of Companies, Regional Director and Official Liquidator, the Company has filed a Petition with the NCLT - Ahmedabad Bench for sanction of the aforesaid Scheme and are awaiting for the same.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements (CFS) of the Company and its wholly owned subsidiary Company viz. Stan Plaza Limited (SPL) are prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and relevant Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable to the Company and form part of this Annual Report. These Statements have been prepared on the basis of audited financial statements received from SPL as approved by its Board. Stanrose Mafatlal Lubechem Ltd., a substantially owned subsidiary Company being inoperative, its financial statements are not considered in preparation of CFS.

### DIRECTORATE

In terms of Section 152 of the Companies Act, 2013, Shri Pradeep R. Mafatlal, a Non-Independent, Non-Executive Promoter Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. Brief resume of Shri Pradeep R. Mafatlal, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is covered in the notes of the Notice of the 39th AGM of the Company.

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company is disqualified from being appointed or re-appointed as a Director as specified under Section 164 of the Companies Act, 2013.

### KEY MANAGERIAL PERSONNEL

The Company has appointed three Key Managerial Personnel, viz. Shri Madhusudan J. Mehta, Chief Executive Officer, Shri Harshad V. Mehta, Chief Financial Officer and Shri Soham A. Dave, as Company Secretary, to inter alia shoulder the responsibilities in their respective



## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

fields as envisaged under the provisions of the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Board of Directors has adopted a Familiarization Programme for Independent Directors of the Company and posted the same on the website of the Company viz. [www.stanroseinvest.com](http://www.stanroseinvest.com). The Programme aims to provide insights into the Company to enable the Independent Directors to understand and significantly contribute to its business.

### AUDITORS

#### Statutory Auditors

At the 37th Annual General Meeting, M/s Manubhai & Shah, Chartered Accountants (Firm Regn. No. 106041W/W100136), Ahmedabad, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 37th AGM to the conclusion of the 42nd AGM (subject to ratification of the appointment by the members at every AGM held after this AGM). On 7th May, 2018, Section 40 of the Companies Amendment Act, 2017 (amending Section 139 of the Companies Act, 2013) was notified whereby ratification of Statutory Auditor's appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of appointment of Statutory Auditors is not proposed.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Manoj Hurkat and Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure A".

The Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, Reserve Bank of India Act, 1934, Equity Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956, SEBI (Prohibition of Insider Trading) Regulations, 1992/2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and various Regulations and Guidelines as applicable to the Company.

### CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made there under, the Company has constituted a Corporate Social Responsibility Committee of Directors. The role of the Committee is to review the CSR activities of the Company periodically and recommend the Board the amount of expenditure to be incurred on the CSR activities annually.

Annual Report on CSR activities carried out by the Company during F.Y. 2018-19 is enclosed as "Annexure - B" to this report.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Shri Kersi J. Pardiwalla, Chairman, Shri Arun P. Patel and Shri Rajesh Jaykrishna, members. The role and responsibilities, Company's policy on directors' appointment and remuneration including the criteria for determining the qualifications, positive attributes, independence of a director and other related matters are in conformity with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### AUDIT COMMITTEE

The information relating to the composition of the Committee, scope & term of reference, no. of meetings held and attendance, etc. during the year under report, are provided in the Corporate Governance Report.

### ANNUAL PERFORMANCE EVALUATION:

In compliance with the provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

**Board:** In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes and Board dynamics. The Independent Directors, at their separate meeting, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

**Committees of the Board:** The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Individual Directors:

**(a) Independent Directors:** In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like qualification, experience, availability and attendance,

## STANROSE MAFATLAL

integrity, commitment, governance, independence, communication, preparedness, participation and value addition. The Board was of the unanimous view that each independent director is a reputed professional and brought his rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the independent directors in guiding the management in achieving higher growth and concluded that continuance of each independent director on the Board will be in the interest of the Company.

**(b) Non-Independent Directors:** The performance of each of the non-independent directors (including the Chairperson) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. Various criteria considered for the purpose of evaluation included qualification, experience, availability and attendance, integrity, commitment, governance, communication, etc. The Independent Directors and the Board were of the unanimous view that each of the non-independent director was providing good business and people leadership.

### **DISCLOSURE OF RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION, ETC.**

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration of each Director and KMP, etc. more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in "Annexure C" to this Report.

### **PARTICULARS OF LOANS AND INVESTMENTS**

The Company being a Non-Banking Financial Company registered with Reserve Bank of India with the principal business, inter alia, of Inter-Corporate Financing, the provisions of Section 186 except sub-section (1) are not applicable to it. Hence no particulars thereof as envisaged under Section 134(3)(g) are covered in this Report.

### **RELATED PARTY TRANSACTIONS**

The particulars of contracts or arrangements entered by the Company with related parties which are subsisting during the year under Report are provided under "Annexure D" in Form AOC - 2. The Company has framed a 'Policy on Related Party Transactions' for determining related parties, transactions on arm's length basis and procedures to be followed for obtaining various approvals, etc. The policy is available on the website of the company, [www.stanroseinvest.com](http://www.stanroseinvest.com). As regards the justification for

entering into related party transactions, it may be noted that the same are entered into due to business exigencies and are in the best interest of the Company.

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

Pursuant to the requirement under Section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014:

- (a) The Company has no activity involving conservation of energy or technology absorption.
- (b) The Company does not have any Foreign Exchange Earnings.
- (c) Outgo under Foreign Exchange - NIL.

### **SEXUAL HARASSMENT**

Entire staff in the Company is working in a most congenial manner and there is no occurrences of any incidents of sexual harassment during the year.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board has approved and adopted "Vigil Mechanism/ Whistle Blower Policy" in the Company. The Brief details of establishment of this Policy are provided in the Corporate Governance Report.

### **RISK MANAGEMENT POLICY**

The Company has formalized risk management system by formulating and adopting Risk Management Policy to identify, evaluate, monitor and minimize the identifiable business risks in the Organization.

### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT 9 is provided in "Annexure E" to this Report and the same is also available on the website of the Company [www.stanroseinvest.com](http://www.stanroseinvest.com) under "Investor Relations" Section.

### **PARTICULARS OF EMPLOYEES**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **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

Place: Mumbai  
Dated: May 30, 2019.



## ANNEXURE 'A' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of

#### STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

(CIN : L65910GJ1980PLC003731)

6th Floor, Popular House, Ashram Road,  
Ahmedabad - 380009

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 amended from time to time.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except the filing of Reconciliation of Share Capital Audit under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended on 31st December, 2018 with a delay of 15 days.

- VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;
- (a) The Reserve Bank of India Act, 1934 and Applicable NBFC Regulations
  - (b) The Prevention of Money Laundering Act, 2002.

We further report that:

- (a) The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## STANROSE MAFATLAL

- (b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Board of Directors of the Company at its meeting held on 13th March, 2018, has approved the Scheme of Amalgamation ("Scheme") between Surcot Trading Private Limited (Transferor

Company Number I) and Umiya Real Estate Private Limited (Transferor Company Number II) with the Company under Sections 230-232 of the Companies Act, 2013, with appointed date as 1st April, 2017. Further the Company has already received No Objection letter no. DCS/AMAL/SD/R37/1331/2018-19 dated 14th November, 2018 from BSE Limited under Regulation 37 of the SEBI-LODR Regulations. Moreover the members of the Company at the NCLT Convened meeting held on 22nd February, 2019 have approved the Scheme. Further the Company has filed Petition No. CP (CAA) No. 30 of 2019 with the Hon'ble NCLT-Ahmedabad Bench for obtaining sanction to the Scheme.

Barring this, during the audit period, no other events/ actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries

Place: Ahmedabad  
Date: May 30, 2019

MANOJ R HURKAT  
Partner  
FCS No. 4287, C P No.: 2574

### Note:

This Report is to be read with our letter of even date which is annexed as "Annexure A" and form an integral part of this Report.

## ANNEXURE 'A' to Secretarial Audit Report

To,

The Members of

### STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

(CIN : L65910GJ1980PLC003731)  
6th Floor, Popular House, Ashram Road,  
Ahmedabad - 380009

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on

test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries

Place: Ahmedabad  
Date: May 30, 2019

MANOJ R HURKAT  
Partner  
FCS No. 4287, C P No. 2574

**ANNEXURE 'B' TO DIRECTORS' REPORT  
REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs -
  - The CSR Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. The policy is available on Company's website, [www.stanroseinvest.com](http://www.stanroseinvest.com).
  - On recommendation of CSR Committee, the Board of Directors approved the CSR spending by providing financial assistance to a charitable Institute, which runs a hospital for treating the economically weaker people.
2. The Composition of the CSR Committee-
  - The Company's CSR Committee comprises of two Non-Independent Directors and one Independent Director. Its composition is as under:
    - (a) Shri Madhusudan J. Mehta, Chairman
    - (b) Shri Kersi J. Pardiwalla, Member
    - (c) Smt. Datta B. Dave, Member
3. Average net profit of the company for last three financial years- Rs. 556.79 Lacs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - Rs.11.14 Lacs.
5. Details of CSR spent during the financial year:
  - (a) Total amount spent during the financial year - Rs.11.74 Lacs.
  - (b) Amount unspent, if any - NIL
  - (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
01.	Healthcare	Promoting healthcare including preventive healthcare	Halol-Kalol, Panchmahal District, Gujarat		Rs.11.74 Lacs		Through a Registered Trust viz. Navinchandra Mafatlal Medical Trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - Not Applicable.
7. The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with the CSR objectives and the CSR Policy of the Company.

*For and on behalf of the Board*

*(PRADEEP R. MAFATLAL)*  
CHAIRMAN

*(MADHUSUDAN J. MEHTA)*  
CHAIRMAN - CSR COMMITTEE

Place: Mumbai

Date: May 30, 2019

**ANNEXURE 'C' TO DIRECTORS' REPORT**

**Part A - Disclosure of Ratio of Remuneration of each Director to the Median Employee's Remuneration, the Percentage increase in Remuneration of each Director, Chief Executive Officer, Company Secretary and Chief Financial Officer, etc. for the Financial Year ended 31st March, 2019.**

Names and Positions	[A] Ratio of Directors' Remuneration to the median Remuneration of Employees	[B] Percentage (%) increase in Remuneration
(i) Shri Pradeep R. Mafatlal, Chairman	0.05 : 1	(98.59)
(ii) Shri Madhusudan J. Mehta, Director & CEO	3.63 : 1	143.33
(iii) Shri Arun P. Patel, Director	0.03 : 1	(90.48)
(iv) Shri Rajesh Jaykrishna, Director	0.17 : 1	(50)
(v) Shri Kersi J. Pardiwalla, Director	0.20 : 1	(53.85)
(vi) Smt. Datta Bharat Dave, Director	0.03 : 1	(86.67)
(viii) Shri Soham A. Dave, CS		1.44
(ix) Shri Harshad V. Mehta, CFO		(2.03)

**[C]** Percentage increase in the median Remuneration of Employees - 30.53%

**[D]** Number of permanent Employees on the rolls of Company (at the end of the year) - 11

**[E]** Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration. The Company is a Board Managed

Company. The average percentage increase in salaries of employees other than Directors and KMPs made in the year 2018-19 is 56.81% against 29.94 % decrease in Managerial Remuneration. Managerial Remuneration, inter alia, consist of commission and Sitting Fees paid to NEDs, salary paid to Executive Directors and Remuneration of KMP.

The Company affirms that the remuneration is as per the remuneration policy of the company..

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

**Place:** Mumbai

**Dated:** May 30, 2019.

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**ANNEXURE 'D' TO DIRECTORS' REPORT**

**FORM NO. AOC - 2**

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

<b>Details of contracts or arrangements or transactions at Arm's length basis</b>			
(a)	Name(s) of the related party	Shanudeep Private Limited (Shanudeep)	Standard Industries Limited
(b)	Nature of relationship	Shanudeep is holding 25.03% stake in the Company. Further the Chairman of the Company Shri Pradeep R. Mafatlal is also the Chairman of Shanudeep.	Shri Pradeep R. Mafatlal who is a Non-Executive Director of the Company is also Key Management Personnel in both the Companies.
(c)	Nature of contracts / arrangements / transactions.	(i) Use of office premises on Lease (ii) Availing facilities and amenities.	Sold/Disinvested 14,47,714 Equity Shares of Duville Estates Private Limited at Rs. 83/- per Share to Standard Industries Limited.
(d)	Duration of the contracts / arrangements / transactions	(i) From 19th August, 2018 to 18th August, 2019 (ii) From 19th August, 2018 to 18th August, 2019	N.A.
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	(i) Use of office premises admeasuring 2000 sq. ft. at 2nd Floor, Vijyalaxmi Mafatlal Centre, 57-A, Dr. G. Desmukh Marg, Mumbai on lease by paying Rs. 1,80,000 p.m. as License fee. (ii) Availing Facilities and Amenities at the aforesaid premises by paying Rs. 2,42,000 p.m. as service charges	The Company has sold 14,47,714 shares @ Rs. 83/- per Equity share. Total consideration of Rs.12.02 cr. has been received from Standard Industries Limited. The transaction is on arm's lengths basis and in the ordinary course of the Company's business.
(f)	Date(s) of approval by the Board, if any:	July 27, 2018 (for both the transactions)	July 27, 2018
(g)	Amount paid as advances, if any:	Nil	The Company has made two transaction and in both the transactions, Standard Industries have paid full amount in Advance.

Note: There are no contracts or arrangements or transactions with related parties which are not at arm's length basis or which are material contract or arrangement or transaction at arm's length basis as per Section 188 of the Companies Act, 2013 entered into by the Company or prevailing during the F.Y. 2018-19. However, the aforesaid transaction with Standard Industries Limited is termed as material as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Place:** Mumbai  
**Dated:** May 30, 2019.

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

**ANNEXURE 'E' TO DIRECTORS' REPORT**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March, 2019  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN :	L65910GJ1980PLC003731
ii.	Registration Date:	18th April, 1980
iii.	Name of the Company:	Stanrose Mafatlal Investments and Finance Limited
iv.	Category / Sub-Category of the Company:	Company Limited by Shares/ Indian Non-government Company
v.	Address of the Registered Office and contact details:	6th Floor, Popular House, Ashram Road, Ahmedabad-380009, Gujarat. Ph. No. (079) 26580067-96
vi.	Whether Listed Company:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime (India) Pvt. Ltd. 506-508, Amarnath Business Centre-1, Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C.G. Road, Ellis Bridge, Ahmedabad - 380006. Gujarat. Ph. No. (079) 26465179

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Intercorporate Investment, Financing and Capital Market Related Activites	997119	99.28 % from Investment activity & 0.72 % from financing activity

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Stan Plaza Limited Reg. Off. - 59, The Arcade, 1st Floor, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005.	U24100MH1996PLC098394	SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
2	Stanrose Mafatlal Lubechem Limited - In Liquidation Reg. Off. - 59, The Arcade, 1st Floor, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005.	L15140MH1993PLC073460	SUBSIDIARY	86.25%	Section 2(87) of Companies Act, 2013



IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held as on 01/04/2018				No. of Shares held as on 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters:</b>									
<b>(1) Indian:</b>									
<b>(a) Individual/HUF</b>	14,976	-	14,976	0.38%	14,976	-	14,976	0.38%	-
<b>(b) Central Govt.</b>	-	-	-	-	-	-	-	-	-
<b>(c) State Govt.</b>	-	-	-	-	-	-	-	-	-
<b>(d) Bodies Corp.</b>	18,79,651	-	18,79,651	47.37%	18,79,651	-	18,79,651	47.37%	-
<b>(e) Banks/FI</b>	-	-	-	-	-	-	-	-	-
<b>(f) Any other</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	18,94,627	-	18,94,627	47.75%	18,94,627	-	18,94,627	47.75%	-
<b>(2) Foreign:</b>									
<b>(a) NRIs-Individuals</b>	33,094	-	33,094	0.83%	33,094	-	33,094	0.83%	-
<b>(b) Others-Individuals</b>	-	-	-	-	-	-	-	-	-
<b>(c) Bodies Corp.</b>	-	-	-	-	-	-	-	-	-
<b>(d) Banks/FI</b>	-	-	-	-	-	-	-	-	-
<b>(e) Any other</b>	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held as on 01/04/2018				No. of Shares held as on 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A) (2)</b>	33,094	-	33,094	0.83%	33,094	-	33,094	0.83%	-
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	19,27,721	-	19,27,721	48.58%	19,27,721	-	19,27,721	48.58%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions:</b>									
<b>(a) Mutual Funds</b>	32	1,850	1,882	0.05%	32	1,850	1,882	0.05%	-
<b>(b) Banks/ FI</b>	-	433	433	0.01%	-	433	433	0.01%	-
<b>(c) Central Govt.</b>	-	-	-	-	-	-	-	-	-
<b>(d) State Govt.</b>	-	-	-	-	-	-	-	-	-
<b>(e) Venture Capital funds</b>	-	-	-	-	-	-	-	-	-
<b>(f) Insurance Companies</b>	3,93,084	-	3,93,084	9.91%	3,93,084	-	3,93,084	9.91%	-
<b>(g) FIs</b>	-	-	-	-	-	-	-	-	-
<b>(h) Foreign Venture Capital Funds</b>	-	-	-	-	-	-	-	-	-
<b>(i) Others - Trust</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	3,93,116	2,283	3,95,399	9.97%	3,93,116	2,283	3,95,399	9.97%	-

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

Category of Shareholders	No. of Shares held as on 01/04/2018				No. of Shares held as on 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Central government / State Government / President of India	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
3. Non-Institutions:									
(a) Bodies Corp.									
(i) Indian	71,163	1,07,681	1,78,844	4.51%	1,47,060	27,733	1,74,793	4.41%	(0.10%)
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	4,87,879	5,26,158	10,14,037	25.56%	5,47,744	4,27,755	9,75,499	24.58%	(0.98%)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	2,35,663	91,496	3,27,159	8.24%	2,21,970	1,35,718	3,57,688	9.01%	0.77%
(c) Others (specify)	56,511	401	56,912	1.43%	59,062	378	59,440	1.50%	0.07%
IEPF	67,848	-	67,848	1.71%	77,380	-	77,380	1.95%	0.24%
Sub-total (B) (3)	9,19,064	7,25,736	16,44,800	41.45%	10,53,216	5,91,584	16,44,800	41.45%	-
Total Public Shareholding (B) = (B) (1) + (B) (2) + (B) (3)	13,12,180	7,28,019	20,40,199	51.42%	14,46,332	5,93,867	20,40,199	51.42%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	32,39,901	7,28,019	39,67,920	100%	33,74,053	5,93,867	39,67,920	100%	0.00%

**(ii) Shareholding of Promoters**

Sr. No.	Shareholders' Name	Shareholding as at 01/04/2018			Shareholding as at 31/03/2019			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	
1.	Shanudeep Private Limited	9,80,078	24.70	0.00	9,93,078	25.03	0.00	-
2.	Vinadeep Investments Private Limited	4,28,421	10.80	0.00	4,15,421	10.47	0.00	(0.33%)
3.	Sheiladeep Investments Private Limited	3,90,297	9.84	0.00	3,90,297	9.84	0.00	-
4.	Gagalbhai Investments Private Limited	43,726	1.10	0.00	43,726	1.10	0.00	-
5.	Pradeep Investments Private Limited	18,120	0.46	0.00	18,120	0.46	0.00	-
6.	Standard Industries Limited	19,009	0.48	0.00	19,009	0.48	0.00	-
7.	Sheilaja Chetan Parikh	19,054	0.48	0.00	19,054	0.48	0.00	-
8.	Pravina Rasesh Mafatlal & Pradeep R. Mafatlal	14,802	0.37	0.00	14,802	0.37	0.00	-
9.	Pradeep R. Mafatlal & Divya P. Mafatlal	13,186	0.33	0.00	13,186	0.33	0.00	-
	Pradeep R. Mafatlal & Pravina R. Mafatlal	854	0.02	0.00	854	0.02	0.00	-
10.	Rajanya Pradeep Mafatlal	174	0.00	0.00	174	0.00	0.00	-
	<b>TOTAL</b>	19,27,721	48.58	0.00	19,27,721	48.58	0.00	-

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Shareholding as at 01/04/2018	<b>NO CHANGE DURING THE YEAR</b>			
Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease				
As at 31/03/2019				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Top ten Shareholders and their Shareholding as at 01/04/2018				Top ten Shareholders and their Shareholding as at 31/03/2019			
No.	Name of Shareholder	No. of Shares	% of total shares of the Company	No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	1,64,377	4.14%	1.	Life Insurance Corporation of India	1,64,377	4.14%
2.	The New India Assurance Company Limited	89,593	2.26%	2.	The New India Assurance Company Limited	89,593	2.26%
3.	Mafatla Industries Limited	79,920	2.01%	3.	Mafatla Industries Limited	79,920	2.01%
4.	The Oriental Insurance Company Limited	77,182	1.95%	4.	IEPF Authority - MCA	77,380	1.95%
5.	IEPF Authority - MCA	67,848	1.71%	5.	The Oriental Insurance Company Limited	77,182	1.95%
6.	General Insurance Corporation Of India	42,616	1.07%	6.	General Insurance Corporation Of India	42,616	1.07%
7.	Panna Hemant Mafatla	38,216	0.96%	7.	Panna Hemant Mafatla	38,216	0.96%
8.	Shashank S Khade	33,784	0.85%	8.	Parul V. Lashkari	29,721	0.75%
9.	Parul V. Lashkari	29,721	0.75%	9.	Integrated Financial Services Ltd.	27,000	0.68%
10.	Integrated Financial Services Ltd.	27,000	0.68%	10.	Sundararaman Vallur Gopalaraghava	26,218	0.66%

**STANROSE MAFATLAL****(v) Shareholding of Directors and Key Managerial Personnel:**

	Shareholding as at 01/04/2018		Shareholding as at 31/03/2019	
	No. of Shares #	% of total shares of the Company	No. of Shares #	% of total shares of the Company
Shri Pradeep R. Mafatlal	28,842	0.73%	28,842	0.73%
Shri Arun P. Patel	175	0.00%	175	0.00%
Shri Rajesh Jaykrishna	156	0.00%	156	0.00%
Shri Kersi J. Pardiwalla	300	0.00%	300	0.00%
Shri Madhusudan J. Mehta	434	0.00%	434	0.00%
Smt. Datta B. Dave	18	0.00%	18	0.00%
Shri Harshad V. Mehta	50	0.00%	50	0.00%
Shri Soham A. Dave	1	0.00%	1	0.00%

# Including Joint Holding

**V. INDEBTEDNESS**

Indebtedness of the Company including Interest outstanding / accrued but not due for Payment :  
NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Director, Executive Director and/or Manager:**

Sr No.	Particulars of Remuneration	Name of M.D., W.T.D., Executive Director and/or Manager	Total
		Shri Madhusudan J. Mehta	
1.	Gross Salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.95	10.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	10.95	10.95



**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**B. Remuneration to other Directors :**

**(I) Independent & Non-Executive**

Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
	Shri Arun P. Patel	Shri Rajesh Jaykrishna	Shri Kersi J. Pardiwalla	
Fee for attending Board / Committee meetings (Rs.)	10,000	50,000	60,000	1,20,000
Commission (Rs.)	NIL	NIL	NIL	NIL
Others, please, specify	NIL	NIL	NIL	NIL
<b>Total (B)(1) (Rs.)</b>	10,000	50,000	60,000	1,20,000

**(II) Other Non-Executive Directors**

Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
	Shri Pradeep R. Mafatlal	Smt. Datta B. Dave	
Fee for attending Board / Committee meetings (Rs.)	15,000	10,000	25,000
Commission (Rs.)	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL
<b>Total (B)(2) (Rs.)</b>	15,000	10,000	25,000
<b>Total Managerial Remuneration (all Directors) (Rs.)</b>	NIL	NIL	NIL*
<b>Overall Ceiling as per the Act (Rs.)</b>	NIL	NIL	1,50,626

\* excluding Sitting Fees

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Rs. In Lacs)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
1.	<b>Gross Salary :</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.95	8.29	5.89	25.13
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.22	0.22	0.19	0.63
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	11.17	8.51	6.08	25.76

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

NONE

**REPORT ON CORPORATE GOVERNANCE**

**[As required under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance standards for listed companies vide Point C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Pradeep R. Mafatlal, a Non-Executive Promoter Director, is the Chairman of the Company, heading the Board. As on 31st March, 2019, the Board comprises of 6 Directors, out of whom 5 are Non-Executive Directors and one is Executive Director. Out of 5 Non-Executive Directors, 3 Directors are Independent and 2 are Non-Independent (including one Woman Director).

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

The category of Directors, their attendance at the Board Meetings and the Annual General Meeting during the Financial Year 2018-19, the particulars of number of other Directorships & Committee Memberships held and the name of other listed entities where they act as director along with the category of directorship are as follows (See Table 1).

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

Four Board Meetings were held during the year

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

Name of Director	Category of Director	Attendance		No. of Directorships *	No. of Committee Memberships / Chairmanship**	Name of other Listed Entities where he/she act as Director along with their category of Directorship
		No. of Board Mtgs.	Last AGM			
1. Shri Pradeep R. Mafatlal, Chairman	Non-Independent Non-Executive	2	No	9 (Chairman of 6)	2	Standard Industries Limited Non-Independent Non-Executive
2. Shri Madhusudan J. Mehta (Chief Executive Officer)	Executive	4	Yes	9	1	-
3. Shri Arun P. Patel	Independent Non-Executive	1	No	1	1	-
4. Shri Rajesh Jaykrishna	Independent Non-Executive	4	No	7	1	-
5. Shri Kersi J. Pardiwalla	Independent Non-Executive	4	Yes	5	4 (Chairman of 4)	Standard Industries Limited Independent Director
6. Mrs. Datta Bharat Dave	Non-Independent Non-Executive	2	Yes	1	-	-

**Note:** None of the Directors are related inter-se.

\* Includes Stanrose Mafatlal Investments and Finance Limited and excludes Foreign Companies.

\*\* Represents Chairmanship/Membership of Audit Committees and Stakeholders' Relationship Committees of Public Limited Companies including Stanrose Mafatlal Investments and Finance Limited. .

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

on 2.5.2018, 27.7.2018, 12.11.2018 and 25.1.2019.

All the 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.

### **(D) Skills/expertise/competence of the Board:**

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in context of the Company's business and sector and which in the opinion of the Board, its Members possess:

- Commercial
- Finance
- Shares and Securities Market
- General management and Human Resources
- Legal, including laws related to corporate governance.

### **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. The CEO has given a declaration to this effect to the Board and the Board has taken the same on its record. The Code is placed on the Company's website, [www.stanroseinvest.com](http://www.stanroseinvest.com).

### **3. POLICY ON PROHIBITION OF INSIDER TRADING:**

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **4. CEO AND CFO CERTIFICATION:**

The CEO and CFO have given a Certificate about the correctness of the Annual Financial Statements, etc. to the Board and the Board has taken the same on its record.

### **5. COMMITTEES OF THE BOARD:**

#### **(a) Audit Committee:**

The Board of Directors has constituted an Audit Committee comprising of three Independent Non-Executive Directors, viz. Shri Kersi J.

Pardiwalla, Chairman, Shri Arun P. Patel and Shri Rajesh Jaykrishna. The Company Secretary acts as the Secretary to the Committee.

The role, term of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Company.

Four Meetings were held during the year on 2.5.2018, 27.7.2018, 12.11.2018 and 25.1.2019. Shri Kersi J. Pardiwalla and Shri Rajesh Jaykrishna have attended all meetings & Shri Arun P. Patel has attended one meeting.

#### **(b) Nomination and Remuneration Committee:**

The Board of Directors has constituted a Nomination and Remuneration Committee comprising of Shri Kersi J. Pardiwalla, Chairman, Shri Arun P. Patel and Shri Rajesh Jaykrishna.

The role, term of reference, authority and powers of this Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Company. The committee met once. Shri Kersi J. Pardiwalla and Shri Rajesh Jaykrishna attended the meeting.

#### **(c) Stakeholders' Relationship Committee:**

The Stakeholders Relationship Committee deals with the matters of redressal of Shareholders and Investors complaints for transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.:

- i) Name of Non-executive Director heading the Committee: Shri Kersi J. Pardiwalla.
- ii) Name of other Members: Shri Pradeep R. Mafatlal and Shri Madhusudan J. Mehta.
- iii) Name and Designation of Compliance Officer: Shri Soham A. Dave, Company Secretary.
- iv) Number of shareholders' complaints received: During the year 2018-19, the Company received 3 complaints in the aggregate and all of them have been resolved by furnishing requisite information/documents.
- v) Number of complaints not solved to the satisfaction of shareholders: NIL
- vi) Number of pending complaints: NIL

During the year, the Committee met once. All the Members were present in the Meeting.

**6. RISK MANAGEMENT:**

During the financial year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and risk minimization procedures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Business risk evaluation and management is an ongoing process with the Company.

**7. DIRECTORS' REMUNERATION FOR THE FINANCIAL YEAR 2018-19:**

The Non-Executive Directors are paid Sitting Fees of Rs. 5,000/- for attending each Meeting of the Board/Committees/Independent Directors and a commission upto 3% of the net profit as determined under Section 198 of the Companies Act, 2013 for the financial year ended 31st March, 2019, in pursuance of General Body Resolution. Within the overall limit, the extent and proportion in which the Commission to be distributed amongst the Directors is determined by the Board.

The details of remuneration paid for the year 2018-19 to the Directors are given below (Table No. 2) :

**8. GENERAL BODY MEETINGS:**

- i) Location and time, where last three AGMs were held:  
 On 25-09-2018 at 10.30 A.M.  
 On 04-08-2017 at 10.30 A.M.  
 On 27-07-2016 at 10.30 A.M.  
 At: Banquet Hall, Karnavati Club Ltd.,  
 S. G. Highway, Ahmedabad - 380058, Gujarat.
- ii) Whether any Special Resolutions passed in the previous 3 AGMs: Yes.
- iii) 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.

- iv) Whether Special Resolutions are proposed to be conducted through postal ballot: No
- v) Procedure for postal ballot: Not applicable

**9. OTHER DISCLOSURES:**

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

During the year 2018-19, 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.
- (c) Vigil Mechanism / Whistle Blower Policy:

The Company has established Vigil Mechanism and framed Whistle Blower Policy for the directors and the employees to report to the Audit Committee, any unethical behavior, improper practice and wrongful conduct taking place in the Company, for suitable action. The Policy, by design, provides access to the Chairman of the Audit Committee, in exceptional cases.

Shri Soham A. Dave, Company Secretary acts as Vigilance Officer of the Company to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same

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

Name of Director	Remuneration paid For the F.Y. 2018-2019			No. of Shares held as on 31.3.2019#
	Sitting Fee Rs.	Commission (For 2018-19) Rs.	Total Rs.	
Shri Pradeep R. Mafatlal	15,000	NIL	15,000	28,842
Shri Madhusudan J. Mehta	-	NIL	-	434
Shri Arun P. Patel	10,000	NIL	10,000	175
Shri Rajesh Jaykrishna	50,000	NIL	50,000	156
Shri Kersi J. Pardiwalla	60,000	NIL	60,000	300
Mrs. Datta B. Dave	10,000	NIL	10,000	18

# Including Joint Holding.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

before the Audit Committee for its disposal and informing the whistle blower the result thereof. The detailed Policy describing the objectives, scope, eligibility, procedure, etc. is also posted on the Company's website. We further affirm that no employee has been denied access to the Audit Committee during the financial year 2018-19.

(d) **Compliance of Mandatory Requirements and Adoption of Non-Mandatory Requirements:**

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to it. The Company has adopted some of the non-mandatory requirements as mentioned under Part E of Schedule II such as separate posts of Chairperson and Chief Executive Officer, reporting by internal auditor directly to the Audit Committee, etc.

(e) **Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013:**

- a. Number of complaints filed during the Financial Year - 0
- b. Number of complaints disposed of during the Financial Year - 0
- c. Number of complaints pending as on end of the Financial Year- 0

(f) **The Board of Directors confirm that the Independent Directors fulfill the conditions as specified under clause b of Regulation 16(1) and are Independent to the Management.**

(g) **A certificate has been obtained from M/s. Rutu Sanghvi & Associates, Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a director of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or by any other Statutory Authority.**

(h) **In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.**

(i) **There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.**

(j) **During 2018-2019, the total fees for all services paid by the Company on a consolidated basis, to M/s. Manubhai & Shah LLP, Chartered Accountants**

and all entities in the network firm/network entity of M/s. Manubhai & Shah LLP, Chartered Accountants was Rs. 3 Lakhs.

### 10. MEANS OF COMMUNICATION:

- 1) Half-yearly report sent to each household of shareholders: No
- 2) Quarterly Results:  
Quarterly Results are either published in "Economic Times" (English and Gujarati), and /or "Financial Express" (English and Gujarati) and are displayed on Company's website [www.stanroseinvest.com](http://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: Not Applicable
- 4) Whether Management Discussion & Analysis is a part of the Annual Report or not: Yes.

### 11. GENERAL SHAREHOLDERS INFORMATION:

The Company is registered in the State of Gujarat with the Registrar of Companies, Gujarat at Ahmedabad. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1980PLC003731.

**(a) 39th Annual General Meeting:**

**Date & Time:** August 23, 2019 at 10:30 A.M.

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

**(b) Financial Calendar:**

**Financial Year:**

1st April to 31st March

**Financial Reporting (tentative) for:**

**Quarter ending 30-6-2019:**

By August 14, 2019

**Quarter ending 30-9-2019:**

By November 14, 2019

**Quarter ending 31-12-2019:**

By February 14, 2020

**Year ending 31-3-2020:**

Audited Results by May 30, 2020.

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

August 17, 2019 to August 23, 2019 (both days inclusive)

**(d) Dividend Payment Date:**

From September 6, 2019 onwards but within 30 days from the date of AGM.

**(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, 2011 to the Investor Education and Protection Fund (IEPF), as required under Section 205A(5) of the erstwhile Companies Act, 1956 and Section 124(5) of the Companies Act, 2013, respectively within the prescribed time limit.

Under Section 124 of the Companies Act, 2013 and notification of the Ministry of Corporate Affairs of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any shareholder can claim his/her dividend(s) from the IEPF Authority by making an application in online Form IEPF 5 available on the IEPF's website [www.iepf.gov.in](http://www.iepf.gov.in). 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 and in respect of subsequent financial years at IEPF's website [www.iepf.gov.in](http://www.iepf.gov.in) by filing prescribed online Form IEPF 5 and following other procedures mentioned therein.

The aggregate amount lying in various Unpaid Dividend Accounts as at 31st March, 2019 is Rs.73,23,243/-.

During the year under review, the Company has credited Rs.6,42,220/- lying in unpaid/unclaimed dividend account for the year ended 31st March, 2011 to the IEPF. The cumulative amount transferred by the Company to IEPF up to 31st March, 2019 is Rs.38,16,346/-.

- (ii) Pursuant to the provisions of Sections 124(5) and 125(2)(c) of the Companies Act, 2013, dividend for the financial year ended on 31st March, 2012 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 unclaimed dividends before its transfer to IEPF is given hereunder: (Table No. 3)

**TABLE NO. : 3**

<b>Dividend No.</b>	<b>For the Year ended</b>	<b>Date of Declaration</b>	<b>Last Date for Claiming Unpaid Dividend</b>
31st	31-03-2012	16-08-2012	19-09-2019
32nd	31-03-2013	30-07-2013	03-09-2020
33rd	31-03-2014	02-08-2014	04-09-2021
34th	31-03-2015	12-08-2015	17-09-2022
35th	31-03-2016	27-07-2016	01-09-2023
36th	31-03-2017	04-08-2017	10-09-2024
37th	31-03-2018	25-09-2018	31-10-2025

The Ministry of Corporate Affairs has on May 10, 2012, notified the Investor Education and Protection Fund (uploading of information regarding Unpaid and Unclaimed amounts lying with companies) Rules, 2012 ("IEPF Rules") with the objective of enabling shareholders to use the information provided by the companies on their websites and the website of IEPF, to verify the status of unclaimed dividends, if any. The Shareholders can view the aforesaid information on the website of IEPF '[www.iepf.gov.in](http://www.iepf.gov.in)' and under "Investor Relations" on the website of the Company, '[www.stanroseinvest.com](http://www.stanroseinvest.com)'. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company at its Registered Office or with its Registrar and Transfer Agent, Link Intime India Pvt. Ltd., before the same is due for transfer to IEPF. The Unclaimed Dividend Claim Form - Letter of Indemnity can be downloaded from [www.stanroseinvest.com](http://www.stanroseinvest.com).

- (iii) All the shares in respect of which the dividends are unpaid or unclaimed for seven consecutive years or more shall be transferred in the name of IEPF. All the Members whose dividends for last seven years are unpaid or unclaimed and whose shares are liable to be transferred to IEPF are informed and requested to claim their dividends before their shares are transferred to IEPF. Once transferred, Members can also claim their shares or dividends from IEPF Authority by filing online Form IEPF 5 on the IEPF's website, [www.iepf.gov.in](http://www.iepf.gov.in).

**(f) Dividends:**

- (i) Receipt of Dividend through Electronic Mode**



## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has directed that listed companies shall mandatorily make all payments to investors, including dividend to shareholders, by using any Reserve Bank of India (RBI) approved electronic modes of payment viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS) and NEFT, etc.

In order to receive the dividend without loss of time, all eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants, their correct Bank Account Number including nine-digit MICR Code and eleven-digit IFSC Code, E-Mail ID and Mobile No(s). This will facilitate the remittance of dividend amount as directed by RBI in the Bank Account electronically. Updation of Email Ids and Mobile Nos.(s) will enable sending communication relating to credit of dividend, unencashed dividend, etc.

Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend to their bank accounts: Name of the first account holder (as appearing in the Bank Account records), Bank Name, Branch Name, Branch Address, Account Type, Account Number, Nine digit MICR Code, Eleven digit IFSC Code, Email Id and Mobile No.(s) to the Company at its Registered Office or its Registrar and Transfer Agent, Link Intime India Pvt. Ltd. at: 506-508, Amarnath Business Centre-1 (ABC-1), B/s. Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Ellisbridge, Ahmedabad - 380 006, by quoting reference folio number and attaching a photocopy of the cheque leaf of their active Bank Account and a Self-attested copy of their PAN Card.

### **(ii) Various Electronic modes for making payment of Dividend**

In case the shareholder has updated the complete and correct bank account details (including nine digit MICR Code and eleven digit IFSC Code) before the deadlines given hereinabove, the Company shall make the payment of dividend to such shareholders under any one of the following modes:

1. National Electronic Clearing Service (NECS)
2. Electronic Clearing Service (ECS)
3. National Electronic Fund Transfer (NEFT)

In case the dividend payment by electronic mode is returned or rejected by the corresponding bank due to some reason, then the Company will issue a Dividend Warrant/ Demand Draft/Cheque and print the bank account details available on its records on the said dividend warrant to avoid fraudulent encashment of warrants.

### **(g) Rationalisation of Shareholding Pattern:**

Most of the Members are still holding shares of the Company in physical form and that too in very small numbers. The Company continues its endeavor to assist them in disposal of such small number even without demat at or near the full market value by absorbing some costs associated with its administration. Members desirous of availing the assistance may write or contact Shri Soham A. Dave, 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 approach the Registrar & Transfer Agent of the Company 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 them 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 SH-13 can be downloaded from the Company's website, [www.stanroseinvest.com](http://www.stanroseinvest.com). Members holding shares in dematerialized form may contact their DP for recording their nomination.

### **(i) Share Transfer System:**

All the share related work is undertaken by our Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd., Ahmedabad. Shri Soham A. Dave, Company Secretary and Compliance Officer of the Company approves the work relating to transfer of shares, transmission, splitting and consolidation, etc. The share transfers are registered and returned within 15 days from the date of receipt, if relevant documents are complete in all respects.

### **(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), transferor(s), surviving holder(s) respectively, along with necessary documents at the time of lodgment of request for these transactions is mandatory.

**(k) Registration of Email ID for receipt of Notices of General Meetings, Annual Report, etc. in electronic mode:**

The Ministry of Corporate Affairs has taken 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Company and issued circulars allowing service of notices/documents including Annual Report by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses so far, are requested to register the same in respect of electronic holdings with the Depository through their Depository Participants. Members holding shares in physical form are requested to get their email addresses registered with the Company/its Registrar & Share Transfer Agent.

**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

**(l) Address for Correspondence:**

6th Floor, Popular House, Ashram Road,  
Ahmedabad - 380 009, Gujarat.  
Phone No. 079 26580067  
E-mail : [investorcare@stanroseinvest.com](mailto:investorcare@stanroseinvest.com).

**(m) Registrar and Share Transfer Agent:**

All correspondence relating to transfer of shares, demat requests and other communication in relation thereto be addressed to the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., 506-508, Amarnath Business Centre-1 (ABC-1), B/s. Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat, Tel. 079 26465179/86/87.

Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in).

**(n) Listing on the Stock Exchange and Stock Code:**

Listed on BSE. Listing fee for 2019-20 of BSE has been paid and the Security Code No. is 506105, [Security ID STANROS] under X Group. The Company has established connectivity with NSDL and CDSL for demat and the ISIN allotted to its Equity Shares is INE441L01015.

**(o) Recommendation to get the shares dematerialized:**

We strongly recommend all the members holding shares in physical form to promptly get their shares dematerialized for the following:

- |   |   |
|---|---|
| ❖ Execution of trades in demat in market lot of ONE equity share is available on BSE.                                 | ❖ Elimination of bad deliveries.                                |
| ❖ To improve the liquidity in terms of number of transactions and volume of shares on the Exchange.                   | ❖ No stamp duty on transfer.                                    |
| ❖ For better discovery of price on the Exchange.  | ❖ Periodic Status Report and information available on internet. |
| ❖ Faster settlement cycle, making the transactions of sale, purchase and transfer much simpler and faster.            | ❖ Ease related to change of address of investor.                |
| ❖ Faster disbursement of Non-cash corporate benefits like Rights, Bonus, etc.   | ❖ Elimination of problems related to transmission.              |
| ❖ To lower the transaction cost. Lower brokerage is charged by many brokers for trading in dematerialised securities. | ❖ Ease in portfolio monitoring.                                 |
|   | ❖ Ease in pledging the shares.                                  |
|   | ❖ SMS alert facility.   |
|   | ❖ No risk of loss on account of fire, theft or mutilation.      |
|   | ❖ Reduced paper work  |

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

(p) (i) Distribution of Shareholding by size as on 31st March, 2019 :

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 to 500	23,646	98.64	98.64	5,89,416	14.85	14.85
2.	501 to 1,000	135	0.56	99.20	1,29,562	3.27	18.12
3.	1,001 to 2,000	94	0.39	99.59	1,40,365	3.54	21.66
4.	2,001 to 3,000	18	0.08	99.67	44,890	1.13	22.79
5.	3,001 to 4,000	12	0.05	99.72	40,176	1.01	23.80
6.	4,001 to 5,000	10	0.04	99.76	46,790	1.18	24.98
7.	5,001 to 10,000	18	0.08	99.84	1,28,087	3.23	28.21
8.	10,001 & More	37	0.16	100.00	28,48,634	71.79	100.00
		23,970	100.00		39,67,920	100.00	

(p) (ii) Shareholding Pattern as at 31st March, 2019 :  
TABLE NO. 5

Category	No. of Share-holders	No. of Shares held	% of Share-holding
<b>A) PROMOTERS' HOLDING :</b>			
- Indian	8	18,94,627	47.75
- Foreign	2	33,094	0.83
SUB - TOTAL A	10	19,27,721	48.58
<b>B) PUBLIC HOLDING :</b>			
(i) Institutions	14	3,95,399	9.96
(ii) Central Government			
IEPF Authority	1	77,380	1.95
(iii) Non Institutions			
(a) Others	209	2,34,133	5.90
(b) Individuals	23,736	13,33,287	33.60
SUB-TOTAL B	23,960	20,40,199	51.42
GRAND TOTAL (A + B)	23,970	39,67,920	100.00

(q) Stock Market Data :

(i) The particulars of High-Low prices and the volume during each month of 2018-19 on the BSE are given hereunder:

Month	High Rs.	Low Rs.	Volume (Nos.)
<b>2018</b>			
April	159.95	145.00	4,688
May	179.90	136.10	4,732
June	160.00	139.00	5,379
July	167.00	140.00	18,607
August	162.00	139.90	26,724
September	154.90	120.30	12,046
October	128.85	101.20	28,507
November	112.80	101.00	10,342
December	111.00	103.50	1,240
<b>2019</b>			
January	111.40	100.00	7,880
February	108.15	98.25	2,998
March	106.85	95.35	13,987
Fiscal-2018-19			1,37,130

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

During the Financial Year 2018-19, the Company's share price underperformed the benchmark indice. The Company's share price decreased by 37.5% as compared to increase of 6.28% in BSE Sensex.

(r) Dematerialisation of Shares:

85.03% of Company's paid-up Equity Share Capital is dematerialized upto 31st March, 2019.

Sr. No.	Electronic / Physical	No. of Folios	No. of Shares	%
1.	NSDL	3,032	28,89,406	72.82%
2.	CDSL	1,254	4,84,647	12.21%
3.	Physical	19,684	5,93,867	14.97%
	<b>TOTAL</b>	<b>23,970</b>	<b>39,67,920</b>	<b>100.00 %</b>

Mumbai,  
Dated: May 30, 2019

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

## **STANROSE MAFATLAL**

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### **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To

The Members of

#### **STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

(CIN : L65910GJ1980PLC003731)

6th Floor, Popular House, Ashram Road,  
Ahmedabad-380009

We have examined all relevant records of **STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED** ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing

Regulations") for the financial year ended 31st March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended March 31, 2019.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*For* **MANOJ HURKAT & ASSOCIATES**

*Company Secretaries*

**Date:** *May 30, 2019*

*MANOJ R. HURKAT*

**Place:** Ahmedabad

*Partner*

*Membership No. : FCS 4287*

*Certificate of Practice No. : CP - 2574*

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### INDEPENDENT AUDITORS' REPORT

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

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of Stanrose Mafatlal Investments and Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (hereinafter referred to as "SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Assessment of impairment test of investment in shares</b></p> <p>The company has material investment in quoted and unquoted shares.</p> <p>- For quoted investments, the company estimates recoverable amount of investment based on latest quoted price.</p> <p>- For unquoted investments, the company estimates recoverable amount of investment based on latest financial statements.</p>	<p>- For investment in quoted investment, verified quoted closing price as well reviewed latest financial results / financial statements available of the investee company to assess the realizable value of share and compare with the investment amount.</p> <p>- For unquoted shares, reviewed financial position and performance of the latest financial statements of the investee company. Based on net worth of the investee company, assessed company's realizable share and compared with the investment amount. In one of the cases, also reviewed sale transaction takes place subsequent to March 31, 2019.</p>

##### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other

information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic



## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and 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 Statement of Cash Flow dealt

with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Manubhai & Shah LLP**  
Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

**K. B. Solanki**  
Partner

[Membership No. 110299]

Place: Ahmedabad  
Dated: May 30, 2019

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED ('the Company')**

**1. In respect of fixed assets:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management once in a year which we consider reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

**2. In respect of Inventories:**

During the year, the inventories have been physically verified by the management and no material discrepancies noticed.

**3. In respect of loans granted to parties covered in the register maintained u/s 189 of the Act:**

The Company has granted loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

- a. In our opinion, terms and conditions of the loan were not prejudicial to the interest of the Company
- b. The schedule of repayment for the loan has not been stipulated.
- c. As the terms of the repayment have not been stipulated, there are no overdue amounts in respect of the loan.

**4. In respect of compliance of section 185 and 186 of the Act:**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

**5. In respect of deposits:**

The Company has not accepted any deposits.

**6. In respect of maintenance of cost records:**

The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

**7. In respect of statutory dues:**

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues, as applicable, with appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs.
- b. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as applicable were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute.

**8. In respect of dues to financial institutions / banks / debentures:**

The Company does not have any loans or borrowings from any financial institution, banks, government or debentureholders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

**9. In respect of money raised by way of public offer and application of term loan:**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loans raised during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

**10. In respect of fraud:**

According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. In respect of managerial remuneration in accordance with Section 197 of the Act:**

According to the information and explanations

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

**12. In respect of Nidhi company:**

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**13. In respect of transactions with related parties in compliance of section 177 and 188 of the Act and its disclosures:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

**14. In respect of preferential allotment or private placement of shares or debentures:**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**15. In respect of non-cash transactions with directors or persons:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**16. In respect of company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For Manubhai & Shah LLP*

*Chartered Accountants*

*ICAI Firm Registration No. 106041W/W100136*

**K. B. Solanki**

*Partner*

*[Membership No. 110299]*

*Place: Ahmedabad,*

*Dated : May 30, 2019*

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Stanrose Mafatlal Investments and Finance Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

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## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For Manubhai & Shah LLP*

*Chartered Accountants*

*ICAI Firm Registration No. 106041W/W100136*

**K. B. Solanki**

*Partner*

*[Membership No. 110299]*

*Place: Ahmedabad*

*Dated : May 30, 2019*

**STANROSE MAFATLAL****BALANCE SHEET as at 31st March, 2019**

(Amount in Rupees)

Particulars	Note No.	As at 31-3-2019	As at 31-3-2018
<b>I Equity and Liabilities :</b>			
<b>Shareholders' Funds :</b>			
Share Capital .....	2	3,96,79,200	3,96,79,200
Reserves and Surplus .....	3	51,88,73,714	54,05,42,033
		<b>55,85,52,914</b>	<b>58,02,21,233</b>
<b>Non-current Liabilities :</b>			
Long Term Provisions .....	4	13,36,120	13,48,706
		<b>13,36,120</b>	<b>13,48,706</b>
<b>Current Liabilities :</b>			
Trade Payables .....	5	-	-
Due to Micro and Small Enterprises		-	-
Due to Others		3,10,332	4,60,569
Other Current Liabilities .....	6	73,23,891	79,82,515
Short-term Provisions .....	7	1,28,800	1,82,710
		<b>77,63,023</b>	<b>86,25,794</b>
Total .....		<b>56,76,52,057</b>	<b>59,01,95,733</b>
<b>II ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments : .....	8	1,18,92,845	1,44,66,330
Tangible Assets .....		27,40,68,568	29,10,73,574
Non-current Investments .....	9	18,98,155	21,35,352
Deferred Tax Assets (Net) .....	10	1,34,05,225	11,13,81,580
Long Term Loans and Advances .....	11	30,12,64,793	41,90,56,836
		<b>30,12,64,793</b>	<b>41,90,56,836</b>
<b>Current Assets :</b>			
Inventory .....	12	-	14,53,635
Cash and Cash Equivalents .....	13	1,12,11,339	81,93,233
Short Term Loans and Advances .....	14	25,51,47,820	16,12,47,029
Other Current Assets .....	15	28,105	2,45,000
		<b>26,63,87,264</b>	<b>17,11,38,897</b>
Total .....		<b>56,76,52,057</b>	<b>59,01,95,733</b>

The accompanying notes form an integral part of standalone financial statements.

<p>As per our report of even date attached.</p> <p style="text-align: center;"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p style="text-align: center;"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p style="text-align: center;">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;"> <p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p> </td> <td style="width: 50%; text-align: center;"> <p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p> </td> </tr> <tr> <td style="width: 50%; text-align: center;"> <p>Mumbai, Dated : May 30, 2019</p> </td> <td style="width: 50%; text-align: center;"> <p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p> </td> </tr> </table>	<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>	<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>
<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>				
<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>				

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS** for the year ended on 31st  
March, 2019

(Amount in Rupees )

Particulars	Note No.	Year ended 31-03-2019	Year ended 31-03-2018
<b>Revenues :</b>			
Revenue from Operations .....	17	<b>5,09,74,068</b>	9,11,53,910
Other Income .....	18	<b>68,146</b>	77,651
Total Revenue		<u><b>5,10,42,214</b></u>	<u>9,12,31,561</u>
<b>Expenses :</b>			
Employee benefit expenses .....	19	<b>66,01,904</b>	61,81,633
Depreciation and amortisation expenses .....	8	<b>34,51,661</b>	40,92,088
Other Expenses .....	20	<b>3,61,12,790</b>	3,27,66,835
Total Expenses		<u><b>4,61,66,355</b></u>	<u>4,30,40,556</u>
<b>Profit before Exceptional Item &amp; taxes .....</b>		<b>48,75,859</b>	4,81,91,005
<b>V. Exceptional Item .....</b>	21	<b>17,88,383</b>	(72,60,347)
<b>Profit before Taxes .....</b>		<b>66,64,242</b>	4,09,30,658
<b>Tax Expense :</b>			
Current Tax .....		-	67,00,000
Deferred Tax .....		<b>2,37,197</b>	1,77,669
Adjustments of earlier year tax .....		<b>(6,05,846)</b>	(1,21,681)
		<u><b>(3,68,649)</b></u>	<u>67,55,988</u>
<b>Profit for the year .....</b>		<u><b>70,32,891</b></u>	<u>3,41,74,670</u>
<b>Earnings per equity share (of Rs. 10/- each) .....</b>			
Basic .....		<b>1.77</b>	8.61
Diluted .....		<b>1.77</b>	8.61

The accompanying notes form an integral part of standalone financial statements.

<p>As per our report of even date attached.</p> <p align="center"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p align="center"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p align="center">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%; border: none;"> <tr> <td align="center"><b>P. R. Mafatlal</b> Chairman DIN : 0015361</td> <td align="center"><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</td> </tr> <tr> <td align="center"><b>S. A. DAVE</b> Company Secretary</td> <td align="center"><b>H. V. MEHTA</b> Chief Financial Officer</td> </tr> </table> <p align="center">Mumbai, Dated : May 30, 2019</p>	<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722	<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer
<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722				
<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer				



**CASH FLOW STATEMENT for the year ended on 31st March, 2019**

(Amount in Rupees)

	Year ended 31-3-2019	Year ended 31-3-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT & LOSS	<b>66,64,242</b>	4,09,30,658
Adjustments for :		
Depreciation .....	<b>34,51,661</b>	40,92,088
Income from Investments .....	<b>(3,52,58,667)</b>	(7,31,25,795)
(Profit) on Assets Sold .....	<b>(17,88,383)</b>	(3,02,842)
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL AND INVESTMENTS CHANGES .....</b>	<b>(2,69,31,147)</b>	(2,84,05,891)
Changes in Working Capital Adjustments for :		
Inventories - Stock in trade .....	<b>14,53,635</b>	19,738
Loans and Advances and Other Current Assets	<b>72,62,552</b>	23,13,942
Trade and other Payables .....	<b>(8,75,357)</b>	(7,33,554)
Bank balances not considered as Cash and cash equivalents	<b>(5,91,592)</b>	(5,28,672)
	<b>72,49,238</b>	10,71,454
Changes in Investments		
Purchase of investments .....	<b>(1,11,79,440)</b>	(6,96,99,400)
Sale of investments .....	<b>6,34,43,116</b>	12,97,15,543
	<b>5,22,63,678</b>	6,00,16,143
<b>CASH GENERATED FROM OPERATIONS ..</b>	<b>3,25,81,769</b>	3,26,81,706
Direct Taxes (Paid) .....	<b>(23,64,248)</b>	(72,88,150)
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>3,02,17,521</b>	2,53,93,556
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	<b>(9,44,658)</b>	(43,03,528)
Sale of Property, Plant and Equipments .....	<b>18,54,861</b>	3,51,500
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>9,10,203</b>	(39,52,028)
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend Paid (Including DDT) .....	<b>(2,87,01,210)</b>	(2,86,54,255)
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(2,87,01,210)</b>	(2,86,54,255)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) .....</b>	<b>24,26,514</b>	(72,12,727)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR .....</b>	<b>14,61,582</b>	86,74,309
<b>CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR .....</b>	<b>38,88,096</b>	14,61,582

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

**Notes :**

1) Cash and cash equivalents as per CashFlow Statement :		
Cash on hand .....	<b>3,19,752</b>	35,424
Balances with Banks in Current Accounts .....	<b>35,68,344</b>	14,26,158
	<b>38,88,096</b>	14,61,582
Bank balances of unpaid dividend accounts .....	<b>73,23,243</b>	67,31,651
Cash and cash equivalent as per balance sheet .....	<b>1,12,11,339</b>	81,93,233

- 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.

The accompanying notes form an integral part of standalone financial statements.

As per our report of even date attached. <b>For Manubhai &amp; Shah LLP</b> <i>Chartered Accountants</i> ICAI Firm Registration No. : 106041W/W100136  <b>K. B. Solanki</b> <i>Partner</i> Membership no. : 110299 Ahmedabad, Dated : May 30, 2019	For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.  <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;"> <b>P. R. Mafatlal</b>  <i>Chairman</i>                      DIN : 0015361                 </td> <td style="width: 50%; text-align: center;"> <b>M. J. Mehta</b>  <i>Director &amp; CEO</i>                      DIN : 00029722                 </td> </tr> <tr> <td style="width: 50%; text-align: center;"> <b>S. A. DAVE</b>  <i>Company Secretary</i> </td> <td style="width: 50%; text-align: center;"> <b>H. V. MEHTA</b>  <i>Chief Financial Officer</i> </td> </tr> </table> Mumbai, Dated : May 30, 2019	<b>P. R. Mafatlal</b> <i>Chairman</i> DIN : 0015361	<b>M. J. Mehta</b> <i>Director &amp; CEO</i> DIN : 00029722	<b>S. A. DAVE</b> <i>Company Secretary</i>	<b>H. V. MEHTA</b> <i>Chief Financial Officer</i>
<b>P. R. Mafatlal</b> <i>Chairman</i> DIN : 0015361	<b>M. J. Mehta</b> <i>Director &amp; CEO</i> DIN : 00029722				
<b>S. A. DAVE</b> <i>Company Secretary</i>	<b>H. V. MEHTA</b> <i>Chief Financial Officer</i>				

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31st March, 2019

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards notified under Section 133 of the Companies Act, 2013 and the provisions of the RBI as applicable to Non Banking Financial Company (NBFC) without accepting deposits. The Financial Statement have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

##### 1.2 USE OF ESTIMATES :

The presentation of financial statements is in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amount of assets and liabilities ( including Contingent Liabilities ) and the reported income and expense during the year. The Management believes that the estimates used in preparation

of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 1.3 REVENUE RECOGNITION :

- a. Revenue is recognized when no significant uncertainty as to the measurability or collectability exists.
- b. Dividend income is accounted for when the right to receive dividend is established.
- c. Interest income is accounted on accrual basis except in the case of Non-Performing Assets (NPA), where interest income is recognised, upon realisation, as per the RBI guidelines.
- d. All other incomes are recognized and accounted on accrual basis.

##### 1.4 INVESTMENTS :

Long term investments are stated at cost. Provision is made for diminution in value, other than temporary nature, of such investments.

##### 1.5 INVENTORY :

Current investments in shares and securities, acquired in the ordinary course of business are stated as Inventory. As per RBI guidelines,

inventory for each category is valued at cost or Fair Value / Net Asset Value (NAV) whichever is lower.

**1.6 PROPERTY, PLANT AND EQUIPMENTS :**

Property, plant and equipment are stated at cost less depreciation. Cost includes all expenditure of capital in nature incurred to bring the assets at its present location and conditions.

Depreciation on Property, plant and equipment is provided as per written down method and as per the life provided in Schedule II of the Companies Act, 2013.

Depreciation on additions / sales of the assets during current year has been provided on pro-rata basis from the date of addition / sales of assets.

**1.7 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENTS :**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's assets. If any indication exists, an assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Reversal of Impairment losses recognized in prior years are recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased.

**1.8 EMPLOYEE BENEFITS :**

Short term employee benefits and post employment benefits under defined contribution plans are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

Liability in respect of post employment benefit plan is determined 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. Post employment benefits under defined benefit plans are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the

employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.

**1.9 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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.10 CLASSIFICATION OF LOAN PORTFOLIO AS PERFORMING AND NON-PERFORMING AND PROVISIONING THEREON :**

The Company classifies its loan portfolio and provides provision thereon in accordance with the Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

**1.11 Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.12 GENERAL RESERVE II :**

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

**1.13 TAXATION :**

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

**1.14 OPERATING LEASE :**

Lease where significant portion of risk and reward of ownership are retained by the Lessor

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

are classified as Operating Lease and rentals thereon are charged to the Statement of Profit and Loss.

### 1.15 FOREIGN EXCHANGE TRANSACTIONS :

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction.

### 1.16 EARNING PER SHARE :

Basic earning per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit / (loss) after tax as adjusted for the effects dividend, interest

and other charges relating to the dilutive potential equity shares.

### 1.17 EVENTS AFTER BALANCE SHEET DATE :

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed in report of Board of Directors.

### 1.18 GENERAL :

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

## 2. SHARE CAPITAL :

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>2.1 AUTHORISED SHARE CAPITAL :</b>		
<b>50,00,000</b> (Previous Year 50,00,000) Equity Shares of Rs. 10 each	<b>5,00,00,000</b>	5,00,00,000
<b>2.2 Issued, Subscribed and Paid-up :</b>		
<b>39,67,920</b> (Previous Year 39,67,920) Equity Shares of Rs. 10 each	<b>3,96,79,200</b>	3,96,79,200
Total	<b>3,96,79,200</b>	3,96,79,200
<b>2.3 Reconciliation of the number of shares outstanding</b>		
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	<b>39,67,920</b>	39,67,920
<b>2.4 Rights of Shareholders, Dividend and Repayment of Capital :</b>		
a. The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share.		
b. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.		
c. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>2.5 Details of Shareholders holding more than 5 per cent equity shares:</b>		
1. Shanudeep Pvt. Ltd. Nos.	<b>9,93,078</b>	9,80,078
% holding	<b>25.03 %</b>	24.70 %
2. Vinadeep Investments Pvt. Ltd. Nos.	<b>4,15,421</b>	4,28,421
% holding	<b>10.47 %</b>	10.79 %
3. Sheiladeep Investments Pvt. Ltd. Nos.	<b>3,90,297</b>	3,90,297
% holding	<b>9.84 %</b>	9.84 %
<b>3. RESERVES AND SURPLUS :</b>		
<b>Securities Premium</b>		
Balance as per last Balance Sheet	<b>9,91,98,000</b>	9,91,98,000
<b>Reserve U/S.45 IC of RBI Act, 1934:</b>		
Balance as per last Balance Sheet.	<b>14,16,00,000</b>	13,46,00,000
Add : Amount transferred from Statement of Profit and Loss.	<b>15,00,000</b>	70,00,000
	<b>14,31,00,000</b>	14,16,00,000
<b>General Reserve No. I :</b>		
Balance as per last Balance Sheet.	<b>12,60,00,000</b>	12,50,00,000
Add : Transferred from Statement of Profit and Loss	<b>5,00,000</b>	10,00,000
	<b>12,65,00,000</b>	12,60,00,000
<b>General Reserve No. II :</b>		
Balance as per last Balance Sheet.	<b>20,00,000</b>	20,00,000
	<b>20,00,000</b>	20,00,000

## STANROSE MAFATLAL

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	17,17,44,033	17,42,23,618
Add : Profit for the year Available for Appropriations	70,32,891	3,41,74,670
	<b>17,87,76,924</b>	<b>20,83,98,288</b>
Less: Appropriations:		
Transfer to Reserve u/s 45 IC of RBI Act,1934	15,00,000	70,00,000
Dividend Paid	2,38,07,520	2,38,07,520
Distribution tax on dividend Paid	48,93,690	48,46,735
Transfer to General Reserve No. I	5,00,000	10,00,000
	<b>14,80,75,714</b>	<b>17,17,44,033</b>
Total	<b>51,88,73,714</b>	<b>54,05,42,033</b>

### 4. LONG TERM PROVISIONS

Provision for Employee Benefits	5,76,120	5,88,706
Contingent Provisions against Standard Assets	7,60,000	7,60,000
Total	<b>13,36,120</b>	<b>13,48,706</b>

### 5. TRADE PAYABLES

Outstanding dues of Micro Enterprises and Small Enterprises	-	-
Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,10,332	4,60,569
	<b>3,10,332</b>	<b>4,60,569</b>

Disclosure in respect of Micro Enterprises and Small Enterprises :

- the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
d. the amount of interest accrued and remaining unpaid at the end of each accounting year		
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
f. The above information has been complied in respect of parties to the extent to which they could be identified as Micro and Small Enterprise on the basis of information available with the Company.		

### 6. OTHER CURRENT LIABILITIES

Statutory Liabilities	648	864
Unclaimed dividend	73,23,243	67,31,651
Other payables	-	12,50,000
Total	<b>73,23,891</b>	<b>79,82,515</b>

### 7. SHORT TERM PROVISIONS

Provision for Employee Benefits	1,28,800	1,82,710
Total	<b>1,28,800</b>	<b>1,82,710</b>

### 10. DEFERRED TAX ASSETS

Related to Property, plant and equipments	17,37,878	19,71,574
Related to disallowance under Income Tax Act 1961	1,60,277	1,63,778
Total	<b>18,98,155</b>	<b>21,35,352</b>

### 11. LONG TERM LOANS & ADVANCES

(Unsecured Considered Good)		
Advance to Subsidiary	1,26,45,225	1,26,45,225
Loans to Staff	7,60,000	2,31,383
Loan to Others	-	9,85,04,972
Total	<b>1,34,05,225</b>	<b>11,13,81,580</b>

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**8. PROPERTY, PLANT AND EQUIPMENTS**

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-4-2018	Additions during year	Deductions/ Adjust- ments during the year	As at 31-3-2019	As at 1-4-2018	For the year	Deductions during the period	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
Buildings (Refer Note)	1,25,06,883	5,01,125	1,09,399	<b>1,28,98,609</b>	76,96,879	5,73,141	1,03,929	<b>81,66,091</b>	<b>47,32,518</b>	48,10,004
Furniture & Fixtures ...	99,32,374	-	-	<b>99,32,374</b>	67,32,940	7,99,616	-	<b>75,32,556</b>	<b>23,99,818</b>	31,99,434
Office Equipment .....	63,09,923	3,70,496	1,47,237	<b>65,33,182</b>	53,76,080	4,71,318	1,39,875	<b>57,07,524</b>	<b>8,25,658</b>	9,33,843
Vehicles .....	1,90,72,365	73,037	10,72,982	<b>1,80,72,420</b>	1,35,49,316	16,07,587	10,19,333	<b>1,41,37,570</b>	<b>39,34,850</b>	55,23,049
<b>TOTAL .....</b>	<b>4,78,21,545</b>	<b>9,44,658</b>	<b>13,29,618</b>	<b>4,74,36,585</b>	<b>3,33,55,216</b>	<b>34,51,661</b>	<b>12,63,137</b>	<b>3,55,43,740</b>	<b>1,18,92,845</b>	<b>1,44,66,330</b>
<i>Previous Year. ....</i>	<i>4,51,06,492</i>	<i>43,03,528</i>	<i>15,88,475</i>	<i>4,78,21,545</i>	<i>3,08,02,945</i>	<i>40,92,088</i>	<i>15,39,817</i>	<i>3,33,55,216</i>	<i>1,44,66,330</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. NIL (Previous Year Rs. 250).

**9. NON-CURRENT INVESTMENTS :**

(Amount in Rupees)

Sr. No	Particulars	Face Value per		As at 31-3-2019		As at 31-3-2018	
		Share	Qty.	At Cost or (No.)	Book Value	Qty.	At Cost or (No.)

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

1. Stanrose Mafatlal Lubechem Limited .....							
- In Liquidation .....	5	43,98,216	-	43,98,216	-	-	-
2. Stan Plaza Limited .....	10	50,007	10,03,006	50,007	10,03,006	50,007	10,03,006
<b>Total (A)</b>			<b>10,03,006</b>				<b>10,03,006</b>

**(B) In Equity Shares of other Companies (At Cost) :  
(Non Traded and Fully paid)**

**In Equity Shares :**

**(i) Quoted**

1. Bajaj Finserv Limited .....	5	3,500	67,86,847	3,500	67,86,847
2. Housing Development Finance Corp. Ltd.	2	15,000	3,17,091	15,000	3,17,091
3. HDFC Bank Limited. ....	2	37,000	4,35,61,620	38,750	4,56,21,965
4. Moschip Semiconductor Techno Ltd. ....	2	10,000	5,05,300	10,000	5,05,300
5. Standard Industries Limited .....	5	1,24,04,487	18,21,90,871	1,24,04,487	18,21,90,871
6. Graphite India Ltd. ....	2	3,500	37,40,297	-	-
7. Gabriel India Ltd. ....	1	25,000	37,56,544	-	-
8. Navin fluorine intern. Ltd. ....	2	6,700	36,82,600	-	-
<b>Total B(i)</b>			<b>24,45,41,170</b>		<b>23,54,22,074</b>

**(ii) Unquoted (Fully Paid) :**

1. Duville Estates Pvt. Ltd. ....	10	7,23,857	2,61,24,102	14,47,714	5,22,48,204
2. Federal-Mogul Bearings India Limited .....	10	582	55,290	582	55,290
3. Stanrose Fund Management Services Private Limited .....	100	950	95,000	950	95,000
4. Futura Polyesters Limited .....	10	78,300	-	78,300	-
5. Sarju International Limited .....	10	25,000	-	25,000	-

## STANROSE MAFATLAL

Sr. No	Particulars	Face Value per Share	As at 31-3-2019		As at 31-3-2018	
			Qty. (No.)	At Cost or Book Value	Qty. (No.)	At Cost or Book Value
6.	SIP Technologies and Exports Ltd. ....	10	3,000	-	3,000	-
7.	Helios & Matheson Info.tech Ltd. ....	10	300	-	300	-
8.	Asian Electronics Ltd. ....	5	1,600	-	1,600	-
9.	Ankur Drug & Pharma Ltd. ....	5	300	-	300	-
	<b>Total B(ii)</b>		<b>2,62,74,392</b>		<b>5,23,98,494</b>	
	<b>Total B</b>		<b>27,08,15,562</b>		<b>28,78,20,568</b>	
	<b>(C) In Other Investments (At Cost)</b>					
	Farewell - Painting .....		<b>22,50,000</b>		<b>22,50,000</b>	
	<b>Total C</b>		<b>22,50,000</b>		<b>22,50,000</b>	
	<b>Total. (A + B + C)</b>		<b>27,40,68,568</b>		<b>29,10,73,574</b>	

### NOTES :

(a) Aggregate Value of Quoted Investments:		
Cost/Book Value .....	<b>24,45,41,170</b>	23,54,22,074
Market Value .....	<b>34,10,21,855</b>	37,46,30,045
(b) Aggregate Value of Unquoted Investments: .....		
Cost/Book Value .....	<b>2,95,27,398</b>	5,56,51,500

## 12. INVENTORIES :

(Amount in Rupees)

Particulars	As at 31-3-2019	As at 31-3-2018
<b>STOCK IN TRADE</b> (At lower of cost or net realisable value)	-	14,53,635

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

Sr. No.	Name of the Company	Face Value	Closing Stock (Qty.)		As at 31-3-2019	As at 31-3-2018
			As at 31-3-2019	As at 31-3-2018		
		Rs.			Rupees	Rupees

### (A) Equity Shares (Quoted) :

1.	Ankur Drug & Pharma Limited	5	-	300	-	1,179
2.	Helios & Matheson Info. Tech. Ltd.	10	-	300	-	3,135
3.	Hindustan Oil Exploration Co. Ltd.	10	-	6,800	-	2,14,540
4.	KPIT Technologies Ltd	2	-	800	-	1,17,920
5.	Lambodhara Textiles Ltd.	5	-	350	-	50,330
6.	Nestle India Limited	10	-	147	-	8,48,036
7.	Tata Power Limited	1	-	700	-	45,255
8.	Tata Steel Limited	10	-	474	-	1,65,540
	<b>Total (A)</b>				-	<b>14,45,935</b>
	Market Value				-	<b>24,83,553</b>
	Cost				-	<b>14,45,935</b>

### (B) In other Investments :

1.	Equity Shares (quoted)					
	Partly-paid of Rs. 154/- per share					
	Tata Steel Limited	10	-	50	-	7,700
	<b>Total (B)</b>				-	<b>7,700</b>



## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Market Value	-	7,065
Cost	-	7,700
Total [ A+B ]	-	14,53,635
<hr/>		
Total Market Value	-	24,90,618
Total Cost	-	14,53,635
Lower of cost or net realisable value / Market Value	-	14,53,635

	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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### 13. CASH AND CASH EQUIVALENTS

#### 13.1 Cash

Cash on hand .....	3,19,752	35,424
Balance with Banks in Current Accounts .....	35,68,344	14,26,158

#### 13.2 Other Bank Balance

In earmarked accounts unpaid dividend accounts .....	73,23,243	67,31,651
Total	1,12,11,339	81,93,233

### 14. SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Sundry Deposits	1,29,175	1,29,175
Intercorporate Deposits	22,72,94,972	15,87,90,000
Other advances	2,30,49,608	56,951
Current Maturity of Loan and Advances to Staff	1,40,713	2,26,465
Accrued Interest on Staff Loans	86,135	1,32,286
Prepaid Expenses	3,45,169	7,80,198
Advance Tax (net of Tax Provision)	41,02,048	11,31,954
Total	25,51,47,820	16,12,47,029

### 15. OTHER CURRENT ASSETS

Gratuity Plan Assets	28,105	2,45,000
Total	28,105	2,45,000

### 16. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS :

16.1 Contingent Liability .	-	-
16.2 Capital Commitments		
Payable towards partly paid up shares of Tata Steel (Rs. 461/- per shares)	-	23,050

### 17. REVENUE FROM OPERATIONS

Interest on ICD .....	3,67,080	75,63,189
Dividend Income from Non-current Investments .....	1,33,10,062	1,03,73,842
Dividend Income from investment held as stock in trade .....	4,57,360	19,662
Profit on Sale of Investments (Net) .....	3,52,58,667	7,31,25,795
Profit from Trading of Shares and Securities .....	15,80,899	71,422
Total	5,09,74,068	9,11,53,910

#### 17.1 Profit from Trading of Shares and Securities

Sales .....	8,14,91,894	1,36,600
Closing Stock .....	-	14,53,635
Total (A) .....	8,14,91,894	15,90,235
Less : Purchases .....	7,84,57,360	45,440
Opening Stock .....	14,53,635	14,73,373
Total (B)	7,99,10,995	15,18,813
Total (A-B)	15,80,899	71,422

### 18. OTHER INCOME

Interest on Loan to Employees .....	26,282	34,569
Miscellaneous Income .....	41,864	43,082
Total	68,146	77,651

### 19. EMPLOYEE BENEFIT EXPENSES

Salaries, Wages and Allowances .....	55,84,209	52,13,407
Contribution to Provident & Other Funds .....	4,27,698	4,41,347
Staff Welfare Expenses .....	5,89,997	5,26,879
Total	66,01,904	61,81,633

**STANROSE MAFATLAL**

	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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**20. OTHER EXPENSES****Rent :**

Service and Amenities charges .....	34,26,720	34,04,940
Leave and License fees	25,62,960	25,25,710
Rates & Taxes .....	3,92,055	4,10,491

**Repairs & Maintenance : ..**

-- Building .....	14,600	1,600
-- Others .....	40,23,854	7,47,301
Insurance .....	2,71,718	2,72,226
Printing & Stationery .....	28,35,871	10,21,393
Postage and Telephone .....	28,79,420	9,99,634
Payment to Auditors .....	5,08,300	4,18,000
Commission to Directors ...	-	12,50,000

**Legal & Professional Charges :**

Legal & Professional Charges .....	27,67,232	23,97,508
Retainership fees .....	15,15,600	10,72,300
General Charges .....	25,91,238	13,32,411
Motor Car expenses .....	19,97,548	18,91,101

**Travelling & Conveyance :**

Travelling Expenses .....	41,89,274	8,98,851
Foreign Travelling Exp. ...	12,44,377	79,67,497
Donations .....	1,50,000	13,00,000
Contribution to corporate social responsibility .....	11,74,000	13,70,000
Miscellaneous Expenses ...	35,68,023	34,85,872

Total	3,61,12,790	3,27,66,835
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**20.1 Payment to Auditors (Including GST) :**

(a) As Auditors .....	3,19,500	2,25,000
(b) For Tax Audit .....	29,500	25,000
(c) For Other Work	1,59,300	1,68,000
Total	5,08,300	4,18,000

**20.2. Corporate Social Responsibility**

Gross amount required to be spent during the year .....	11,13,577	13,07,239
Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	11,74,000	13,70,000

	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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**21. Exceptional Items**

Waiver of interest on inter-corporate deposits due to merger decision .....	-	(75,63,189)
Profit on sale of property, plant and equipment .....	17,88,383	3,02,842
Total	17,88,383	(72,60,347)

**23.** The Company is not holding and accepting deposits. Further, the total assets of the Company being less than Rs. 500 Crores, 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, 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, 2015 as amended.

**24. 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 (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting', prescribed under Companies (Accounts) Rules, 2014.

	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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**25. LEASES :**

The Company has an operating Lease rented facility at Mumbai with lock-in-period of 12 months from the date of its commencement. The future rent payments for the facility are as under:

Minimum future lease payments		
Not later than one year	8,22,000	8,22,000
Later than one year and not later than five years	-	-
	8,22,000	8,22,000

**26. EMPLOYEE BENEFITS :**

The Disclosures Required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standard) Rules, 2006 are given hereunder:

**26-A. Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

	Year 2018-19		Year 2017-18	
	Rupees	Rupees	Rupees	Rupees
Employer's Contribution to Provident Fund	2,43,439	2,42,367		
Employer's Contribution to Superannuation Fund	1,55,682	1,67,746		
Employer's Contribution to ESI	28,577	31,234		
<b>26-B. Defined Benefit Plans</b>				
<b>i. Changes in Present Value of Obligations</b>				
Present Value of Obligations at the beginning of the year	24,03,000	36,24,000		
Interest Cost	1,75,000	2,54,000		
Current Service Cost	1,39,000	1,08,000		
Actuarial (Gain)/Loss on Obligations	80,000	(2,000)		
Benefits Paid	(6,25,000)	(15,81,000)		
<b>Present Value of Obligations at the end of the year</b>	<b>21,72,000</b>	<b>24,03,000</b>		
<b>ii. Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	26,48,000	37,75,000		
Expected Return on Plan Assets	1,83,000	2,30,000		
Contributions	4,000	2,44,000		
Actuarial Gain / (loss) on Plan Assets	(10,000)	(20,000)		
Benefits Paid	(6,25,000)	(15,81,000)		
<b>Fair Value of Plan Assets at the end of the year</b>	<b>22,00,000</b>	<b>26,48,000</b>		
Actual return on plan asset	1,73,000	2,10,000		

Particulars	for the year ended March 31				
	2019	2018	2017	2016	2015
Present Value of Obligations as at the end of the year	21,72,000	24,03,000	36,24,000	44,89,000	36,23,186
Fair value of plan Assets as at the end of the year	22,00,000	26,48,000	37,75,000	43,29,000	37,49,763
Net (Asset) / Liability recognized in Balance sheet	(28,000)	(2,45,000)	(1,51,000)	1,60,000	(1,26,577)
Experience adjustments					
On plan assets (Loss) / Gain	(10,000)	(20,000)	71,000	3,77,000	(4,000)
On plan liabilities (Gain) / Loss	80,000	(2,000)	(48,000)	(7,000)	15,000

	Year 2018-19		Year 2017-18	
	Rupees	Rupees	Rupees	Rupees
<b>iv. The amount recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	1,39,000	1,08,000		
Interest Cost	1,75,000	2,54,000		
Expected Return on Plan Assets	(1,83,000)	(2,30,000)		
Net actuarial (gain)/ Loss recognized in the year	90,000	18,000		
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>2,21,000</b>	<b>1,50,000</b>		
<b>v. Investment Details</b>				
Insurer Managed Funds	99.50%	99.50%		
Bank Deposits	0.50%	0.50%		
<b>vi. The principal actuarial assumptions used as at the balance sheet date for gratuity liability are as under:</b>				
Discount Rate	7.00%	7.30%		
Annual Increase in Salary Cost	5.00%	5.00%		
Expected Return on Plan Assets	7.30%	7.00%		

## 27. EARNING PER SHARE :

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

Particulars	Year	
	2018-19	2017-18
Profit after tax (Rs.) .....	70,32,891	3,41,74,670
No. of Equity Shares .....	39,67,920	39,67,920
Basic & Diluted Earnings per Share (Rs.) .....	1.77	8.61
Nominal Value of each Equity Share (Rs.) .....	10.00	10.00

**28. 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 in respect of shares held by non-resident 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 <b>2018-19</b>	Year <i>2017-18</i>
Number of Non-Resident Shareholders .....	<b>34</b>	33
Number of Equity Shares held by them on which Dividend was due .....	<b>33 013</b>	7,524
Amount in Rupees remitted to Bankers or Power-holders in India of the Non-resident Shareholders .....	<b>Rs. 1,98,078</b>	Rs. 45,144
Year to which dividend relates .....	<b>2017-2018</b>	2016 - 2017

**29. Foreign Currency Transactions :**

	Year ended <b>31-3-2019</b>	Year ended <i>31-3-2018</i>
Travelling Expenses	Rs. -	Rs. 28,82,444
Total	Rs. -	Rs. 28,82,444

**30. Disclosure requirement as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

	Year <b>2018-19</b>	Year <i>2017-18</i>
<b>Loans to Subsidiary :</b>		
<b>Stan Plaza Limited</b>		
Outstanding Balance	<b>1,26,45,225</b>	1,26,45,225
Maximum amount outstanding during the year	<b>1,26,45,225</b>	1,26,45,225

**30.1** None of the Loanees named hereinabove has made any investment in the Equity Capital of the Company or its subsidiary.

**22. Related Party Transactions :****(A) Name of related parties and description of relationship :**

Sr. No.	Relationships	Name of related party
1	Subsidiary Company	Stanrose Mafatlal Lubchem Ltd. - in Liquidation * Stan Plaza Limited
2	Key Management Personnel (KMP)	Shri Pradeep R. Mafatlal Shri Madhusudan J. Mehta - Chief Executive Officer Shri Harshad V. Mehta - Chief Financial Officer Shri Soham A. Dave - Company Secretary
3	Relative of KMP	Smt. Pravina Mafatlal Miss Shivani Mafatlal* Shri Rajanya Mafatlal
4	Enterprise over which KMP having control or significant influence:	Standard Industries Limited [SIL] Stanrose Fund Management Services Private Limited Shanudeep Pvt. Ltd Sheiladeep Investments Pvt.Ltd Vinadeep Investments Pvt.Ltd. Gagalbhai Investments Pvt. Ltd. Pradeep Investments Pvt. Ltd. SAP Investments Pvt. Ltd.* Sheiladeep Holdings Pvt.Ltd*

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

Gagalbhai Trading Pvt. Ltd.\*  
 Navinchandra Mafatlal Medical Trust  
 Mafatlal Enterprises Ltd.\*  
 Umiya Real Estate Pvt.Ltd.\*  
 Umiya Balaji Real Estate Pvt.Ltd.\*

\* No transaction done during the year.

**(B) Related Party Transactions:** (Amount in Rupees)

Particulars	Subsidiary Company		KMP		Relatives of KMP		Enterprise over which KMP having control or significant influence	
	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18
<b>(A) Volume of Transactions :</b>								
Expenses: Leave and Licence Fees & Other Services : Shanudeep Pvt. Ltd.	-	-	-	-	-	-	59,89,680	59,30,650
<b>Security Charges Reimbursed :</b> Stan Plaza Limited	75,000	75,000	-	-	-	-	-	-
<b>C.S.R. Expenditure:</b> Navinchandra Mafatlal Medical Trust	-	-	-	-	-	-	11,14,000	13,10,000
<b>Remuneration :</b>								
a Shri M. J. Mehta	-	-	11,01,600	4,50,000	-	-	-	-
b Shri H. V. Mehta	-	-	8,11,016	8,45,792	-	-	-	-
c Shri S. A. Dave	-	-	5,62,219	5,80,627	-	-	-	-
<b>Sitting Fees Paid:</b> Shri Pradeep R. Mafatlal	-	-	-	-	15,000	10,000	-	-
<b>Commission Paid:</b> Shri Pradeep R. Mafatlal	-	-	-	-	-	10,50,000	-	-
<b>Income :</b>								
1. Profit on Sale of investment Standard Industries Ltd	-	-	-	-	-	-	3,39,56,029	-
<b>Dividend Received:</b> Standard Industries Limited	-	-	-	-	-	-	1,24,04,487	93,03,365
<b>Asset :</b>								
<b>Loan given / (Received back)</b>								
Shri H. V. Mehta	-	-	-	(1,57,500)	-	-	-	-
Shri S. A. Dave	-	-	9,00,000	(1,32,110)	-	-	-	-
<b>Other :</b>								
<b>a. Dividend Paid:</b>								
Shanudeep Private Limited	-	-	-	-	-	-	59,59,468	58,60,468
Sheladeep Investments Pvt. Ltd.	-	-	-	-	-	-	23,41,782	23,41,782
Vinadeep Investments Pvt. Ltd.	-	-	-	-	-	-	24,92,526	25,19,220
Gagalbhai Investments Pvt. Ltd.	-	-	-	-	-	-	2,62,356	2,62,356
Pradeep Investments Pvt. Ltd.	-	-	-	-	-	-	1,08,720	1,08,720
Standard Industries Limited	-	-	-	-	-	-	1,14,054	1,14,054
Shri Pradeep R. Mafatlal	-	-	-	-	84,240	84,240	-	-
Smt. Pravina Mafatlal	-	-	-	-	88,812	88,812	-	-
Shri Rajanya Mafatlal	-	-	-	-	1,044	1,044	-	-
<b>b. Balances at the year end - Receivables</b>								
Stan Plaza Limited	1,26,45,225	1,26,45,225	-	-	-	-	-	-
Shri S. A. Dave	-	-	8,80,000	3,07,890	-	-	-	-

## STANROSE MAFATLAL

### 31. DISCLOSURE OF DETAILS AS REQUIRED UNDER PARA 13 OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS 2015.

(Amount in Rupees)

Particulars	As at 31-03-2019		As at 31-03-2018	
	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)	-	-	-	-
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Particulars	As at 31-03-2019	As at 31-03-2018
	Amount Outstanding	Amount Outstanding

#### ASSETS SIDE

(2) Break-up of Loans and Advances(including bills receivable) (Other than those included in (4) below):		
(a) Secured	-	-
(b) Unsecured	23,99,40,197	26,99,40,197
(3) Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities		
(a) Leased Assets	-	-
(b) Stock on hire	-	-
(c) Other Loans counting towards AFC activities	-	-
(4) Break-up of Investments:		
(a) <b>Current Investments:</b>		
Quoted :		
- Equity Shares	-	14,53,635
(b) <b>Long Term investments :</b>		
Quoted :		
Equity Shares	24,45,41,170	23,54,22,074
Unquoted :		
Equity Shares	2,72,77,398	5,34,01,500
Other Investments [Painting]	22,50,000	22,50,000

(5) Borrower group-wise classification of assets financed as in 2. and 3. above :

(Amount in Rupees)

Category	Amount net of provisions			Amount net of provisions		
	As at 31-03-2019			As at 31-03-2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(a) Related Parties :						
(i) Subsidiaries	-	1,26,45,225	1,26,45,225	-	1,26,45,225	1,26,45,225
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	-	-	-	-	-	-
(b) Other than related parties	-	22,72,94,972	22,72,94,972	-	25,72,94,972	25,72,94,972
<b>Total</b>	-	<b>23,99,40,197</b>	<b>23,99,40,197</b>	-	<b>26,99,40,197</b>	<b>26,99,40,197</b>

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

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

(Amount in Rupees)

Category	At at 31-03-2019		At at 31-03-2018	
	Market Value / Break up / Fair Value / NAV	Book Value (Net of Provisions)	Market Value / Break up / Fair Value / NAV	Book Value (Net of Provisions)
(a) Related Parties :				
Subsidiaries	10,03,006	10,03,006	10,03,006	10,03,006
Companies in the same group	-	-	-	-
Other related parties	19,10,29,100	18,21,90,871	25,55,32,432	18,21,90,871
(b) Other than related parties	17,62,67,147	8,86,24,690	17,39,86,725	10,70,83,332
<b>Total</b>	<b>36,82,99,253</b>	<b>27,18,18,567</b>	<b>43,05,22,163</b>	<b>29,02,77,209</b>

- 32.** The Company has recommended a Dividend of Rs. 6/- Per Share for the year ended 31st March, 2019 (Previous Year Rs. 6/- Per Share).

- 33.** The Board at its meeting held on February 03, 2018 has approved the merger of Surcot Trading Private Limited (Transferor Company) and Umiya Real Estate Private Limited (Transferor Company) with Stanrose Mafatlal Investments and Finance Limited (Transferee Company), by way of a Scheme of Amalgamation and Arrangement ("Scheme") effective from April 1, 2017 pursuant to the applicable provisions of the Companies Act, 2013. As on date all the three companies have filled the petition before the National Company Law Tribunal (NCLT) – Ahmedabad Bench and Chennai Bench respectively and are awaiting for their approval. Since Surcot Trading Private Limited is going to be merged with the Company, the Board decided to waive the interest of Rs. 75.63 lacs outstanding as on September 30, 2017 on Inter Corporate Deposit and thereafter no interest is charged.

- 34.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

<p>As per our report of even date attached.</p> <p style="text-align: center;"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p style="text-align: center;"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p style="text-align: center;">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;"> <p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p> </td> <td style="width: 50%; text-align: center;"> <p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p> </td> </tr> <tr> <td style="width: 50%; text-align: center;"> <p>Mumbai, Dated : May 30, 2019</p> </td> <td style="width: 50%; text-align: center;"> <p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p> </td> </tr> </table>	<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>	<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>
<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>				
<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>				



**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF  
STANROSE MAFATLAL INVESTMENTS  
AND FINANCE LIMITED****Report on the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **Stanrose Mafatlal Investments and Finance Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss and the consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of the consolidated profit and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (hereinafter referred to as "SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>1</b>	<p><b>Assessment of impairment test of investment in shares</b></p> <p>The company has material investment in quoted and unquoted shares.</p> <ul style="list-style-type: none"> <li>- For quoted investments, the company estimates recoverable amount of investment based on latest quoted price.</li> <li>- For unquoted investments, the company estimates recoverable amount of investment based on latest financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>- For investment in quoted investment, verified quoted closing price as well reviewed latest financial results / financial statements available of the investee company to assess the realizable value of share and compare with the investment amount.</li> <li>- For unquoted shares, reviewed financial position and performance of the latest financial statements of the investee company. Based on net worth of the investee company, assessed company's realizable share and compared with the investment amount. In one of the cases, also reviewed sale transaction taken place subsequent to March 31, 2019.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is

responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

We did not audit the financial statements of subsidiary; whose financial statements reflect total assets of Rs. 4,31,90,674/- as at March 31, 2019, total revenues of Rs. 1,48,105/- and net cash out flows amounting to Rs. 3,70,474/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure - A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 18 to the consolidated financial statements.

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

*For Manubhai & Shah LLP*

*Chartered Accountants*

*(ICAI Firm's Registration No. 106041W/W100136)*

**K. B. Solanki**

*Partner*

*[Membership No. 110299]*

Place : *Ahmedabad*

Dated : *May 30, 2019*

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Group on the consolidated financial statements for the year ended March 31, 2019, we report that:

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Stanrose Mafatlal Investments and Finance Limited ("the Holding Company") as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial

reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial

controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

*For Manubhai & Shah LLP*

*Chartered Accountants*

*ICAI Firm Registration No. 106041W/W100136*

**K. B. Solanki**

*Partner*

*[Membership No. 110299]*

*Place : Ahmedabad*

*Dated : May 30, 2019*

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**CONSOLIDATED BALANCE SHEET as at 31st March, 2019**

(Amount in Rupees)

Particulars No.	Note	As at 31-3-2019	As at 31-3-2018
<b>I Equity and Liabilities :</b>			
<b>Shareholders' Funds :</b>			
Share Capital .....	2	3,96,79,200	3,96,79,200
Reserves and Surplus .....	3	52,22,55,488	53,71,58,854
		<u>56,19,34,688</u>	<u>57,68,38,054</u>
<b>Non-current Liabilities :</b>			
Long Term Borrowings .....	4	1,97,73,986	1,97,73,986
Long Term Provisions .....	5	13,36,120	13,48,706
		<u>2,11,10,106</u>	<u>2,11,22,692</u>
<b>Current Liabilities :</b>			
Trade Payables .....	6		
Due to Micro and Small Enterprises .....		-	-
Due to Others .....		3,25,332	9,40,489
Other Current Liabilities .....	7	73,23,891	79,82,515
Short-term Provisions .....	8	1,28,800	1,82,710
		<u>77,78,023</u>	<u>91,05,714</u>
Total .....		<u>59,08,22,817</u>	<u>60,70,66,460</u>
<b>II ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments :			
Tangible Assets .....	9	3,71,83,296	3,97,56,780
Intangible Assets .....		70,66,060	70,66,060
Goodwill on Consolidation .....		5,02,936	5,02,936
Non-current Investments .....	10	26,61,90,943	27,63,21,329
Deferred Tax Assets (Net) .....	11	18,98,155	21,35,352
Long Term Loans and Advances .....	12	7,60,000	9,87,36,355
Other Non Current assets .....	13	89,88,417	89,88,416
		<u>32,25,89,807</u>	<u>43,35,07,228</u>
<b>Current Assets :</b>			
Inventory .....	14	-	14,53,635
Cash and Cash Equivalents .....	15	1,28,62,780	1,02,37,249
Short Term Loans and Advances .....	16	25,53,27,754	16,16,16,787
Other Current Assets .....	17	42,477	2,51,561
		<u>26,82,33,011</u>	<u>17,35,59,232</u>
Total .....		<u>59,08,22,818</u>	<u>60,70,66,460</u>

The accompanying notes form an integral part of consolidated financial statements.

<p>As per our report of even date attached.</p> <p align="center"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p align="center"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p align="center">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%; border: none;"> <tr> <td align="center"><b>P. R. Mafatlal</b> Chairman DIN : 0015361</td> <td align="center"><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</td> </tr> <tr> <td align="center"><b>S. A. DAVE</b> Company Secretary</td> <td align="center"><b>H. V. MEHTA</b> Chief Financial Officer</td> </tr> </table> <p align="center">Mumbai, Dated : May 30, 2019</p>	<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722	<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer
<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722				
<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer				

**STANROSE MAFATLAL****CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended on 31st March, 2019

(Amount in Rupees )

Particulars	Note No.	Year ended 31-03-2019	Year ended 31-03-2018
<b>Revenues :</b>			
Revenue from Operations .....	19	<b>5,09,74,068</b>	9,11,53,910
Other Income .....	20	<b>2,16,251</b>	1,70,385
Total Revenue		<b>5,11,90,319</b>	9,13,24,295
<b>Expenses :</b>			
Employee benefit expenses .....	21	<b>66,01,904</b>	61,81,633
Depreciation and amortisation expenses .....	9	<b>34,51,661</b>	40,92,088
Other Expenses .....	22	<b>3,61,76,190</b>	3,32,64,138
Total Expenses		<b>4,62,29,755</b>	4,35,37,859
<b>Profit before Exceptional Item &amp; taxes</b> .....		<b>49,60,564</b>	4,77,86,436
Exceptional Item .....	23	<b>17,88,383</b>	(72,60,347)
<b>Profit before tax</b> .....		<b>67,48,947</b>	4,05,26,089
<b>Tax Expense :</b>			
Current Tax .....		<b>22,100</b>	67,00,000
Deferred Tax .....		<b>2,37,197</b>	1,77,669
Adjustments of earlier year tax .....		<b>( 4,33,574)</b>	(1,21,681)
		<b>( 1,74,277)</b>	67,55,988
<b>Profit for the year</b> .....		<b>69,23,224</b>	3,37,70,101
<b>Earnings per equity share</b> (of Rs. 10/- each) .....			
Basic .....		<b>1.74</b>	8.51
Diluted .....		<b>1.74</b>	8.51

The accompanying notes form an integral part of consolidated financial statements.

<p>As per our report of even date attached.</p> <p style="text-align: center;"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p style="text-align: center;"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p style="text-align: center;">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 50%;"> <b>P. R. Mafatlal</b> Chairman DIN : 0015361 </td> <td style="text-align: center; width: 50%;"> <b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722 </td> </tr> <tr> <td style="text-align: center;"> <b>S. A. DAVE</b> Company Secretary </td> <td style="text-align: center;"> <b>H. V. MEHTA</b> Chief Financial Officer </td> </tr> </table> <p style="text-align: center;">Mumbai, Dated : May 30, 2019</p>	<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722	<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer
<b>P. R. Mafatlal</b> Chairman DIN : 0015361	<b>M. J. Mehta</b> Director & CEO DIN : 00029722				
<b>S. A. DAVE</b> Company Secretary	<b>H. V. MEHTA</b> Chief Financial Officer				



**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended on  
31st March, 2019

(Amount in Rupees)

	Year ended 31-3-2019	Year ended 31-3-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT & LOSS	67,48,947	4,05,26,089
Adjustments for :		
Depreciation .....	34,51,661	40,92,088
Income from Investments .....	(3,52,58,667)	(7,31,25,795)
Profit on Assets Sold .....	( 17,88,383)	(3,02,842)
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(2,68,46,442)</b>	<b>(2,88,10,460)</b>
Changes in Working Capital Adjustments for :		
Inventories - Stock in trade .....	14,53,635	19,738
Loans and Advances and other Current Assets	72,50,193	23,56,055
Loans and Advances .....	-	25,56,408
Other Current Assets .....	-	(2,00,353)
Trade and other Payables .....	(13,40,277)	(2,68,634)
Bank balances not considered as Cash and cash equivalents	( 5,91,592)	(5,28,672)
	<b>67,71,959</b>	<b>15,78,487</b>
Changes in Investments		
Purchase of investments .....	(1,11,79,440)	(6,96,99,400)
Sale of investments .....	6,34,43,116	12,97,15,542
	<b>5,22,63,676</b>	<b>6,00,16,142</b>
<b>CASH GENERATED FROM OPERATIONS ..</b>	<b>3,21,89,193</b>	<b>3,27,84,170</b>
Direct Taxes (Paid) .....	(23,64,248)	(1,04,57,908)
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>2,98,24,945</b>	<b>2,23,26,262</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments ....	(9,44,658)	(43,03,528)
Sale of Property, Plant & Equipments .....	18,54,864	3,51,500
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>9,10,206</b>	<b>(39,52,028)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (Including DDT) .....	(2,87,01,210)	(2,86,54,255)
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(2,87,01,210)</b>	<b>(2,86,54,255)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) .....</b>	<b>20,33,941</b>	<b>(1,02,80,020)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR .....</b>	<b>35,05,596</b>	<b>1,37,85,616</b>
<b>CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR .....</b>	<b>55,39,537</b>	<b>35,05,596</b>

## STANROSE MAFATLAL

### Notes :

- 1) Cash and cash equivalents as at the end of the Year:
- |  |                    |                    |
|--|--------------------|--------------------|
| Cash on hand .....                                 | <b>3,19,752</b>    | 35,424             |
| Balances with Banks in Current Accounts .....      | <b>38,78,072</b>   | 18,97,315          |
| Balance with Banks in Fixed Deposit Accounts ..... | <b>13,41,713</b>   | 15,72,859          |
| Bank balances of Unpaid Dividend .....             | <b>73,23,243</b>   | 67,31,651          |
| <b>Total</b>                                       | <b>1,28,62,780</b> | <b>1,02,37,249</b> |
- 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.
- The accompanying notes form an integral part of the financial statements.

<p>As per our report of even date attached.</p> <p style="text-align: center;"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p style="text-align: center;"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p style="text-align: center;">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center; width: 50%;"> <p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p> </td> <td style="text-align: center; width: 50%;"> <p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p> </td> </tr> <tr> <td style="text-align: center;"> <p>Mumbai, Dated : May 30, 2019</p> </td> <td style="text-align: center;"> <p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p> </td> </tr> </table>	<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>	<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>
<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>				
<p>Mumbai, Dated : May 30, 2019</p>	<p><b>S. A. DAVE</b> Company Secretary</p> <p><b>H. V. MEHTA</b> Chief Financial Officer</p>				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements have been prepared by consolidating financial statements of the subsidiary Stanplaza Limited with Stanrose Mafatlal Investments and Finance Limited (together referred to as 'the Group'), in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21 (Consolidated Financial Statements). The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The consolidated financial statements have been prepared by consolidating financial

statements of the subsidiary Stanplaza Limited with Stanrose Mafatlal Investments and Finance Limited (together referred to as 'the Group'), in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21 (Consolidated Financial Statements). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### b. PRINCIPAL OF CONSOLIDATION:

- (i) The consolidated financial statements comprise the financial statements of Stanrose Mafatlal Investments and Finance Limited and its subsidiary.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances/transactions.

These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidated financial statements are presented, in the same format as that adopted by holding company for its separate financial statements.

The difference between the cost to the Company of its investments in subsidiaries and its proportionate share in the equity of the

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in equity, subsequent to the date of investment.

- (ii) The financial statements of following subsidiary have been consolidated as per Accounting Standard 21 on 'Consolidated Financial Statements' as notified under the Companies (Accounts) Rules, 2014.

Name of the Subsidiary	Proportion of effective ownership interest
Stanplaza Limited	100% Effective from 13th March, 2015

- (iii) Stanrose Mafatlal Lubechem Limited (SMML) - In Liquidation, a substantially owned subsidiary of Stanrose Mafatlal Investment and Finance Limited has been ordered to be wound-up by the High Court of Mumbai vide its order dated 10th June, 2011 and has appointed official liquidator to take charge of its assets, bank accounts, books of account, affairs, business and properties with all the powers under the provisions of the then prevailing Companies Act, 1956. Accordingly, financial statements of SMML have not been consolidated as per Accounting Standard 21 on 'Consolidated Financial Statements' as notified under the Companies (Accounts) Rules, 2014.

**c. USE OF ESTIMATES:**

The presentation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amount of assets and liabilities ( including Contingent Liabilities ) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known/materialize.

**d. 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.

- (iii) Interest income is accounted on accrual basis.

**e. INVESTMENTS:**

Non-current Investments are stated at cost less any provision for diminution in value other than temporary.

**f. 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.

**g. FIXED ASSETS (Tangible and Intangible) :**

Fixed Assets are stated at historical cost less accumulated depreciation.

**h. 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 asset's net selling price and value in use.

**i. DEPRECIATION AND AMORTISATION :**

Depreciation on fixed assets is provided on Written Down Value (WDV) method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

**j. RETIREMENT BENEFITS :**

**Gratuity:**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Gratuity Trust Fund created by the Group. The Group 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 were earned as Personnel Costs.

## STANROSE MAFATLAL

### k. 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.

Contingent assets are neither recognized nor disclosed in financial statements.

### l. GENERAL RESERVE II:

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

### m. TAXATION:

Provision for Current Income tax is made on the basis of estimated taxable income for the period. Deferred Tax is recognized, subject to consideration of prudence, on timing differences

between taxable income and accounting income for the period that originates in one period and is capable of reversal in one or more subsequent periods.

### n. OPERATING LEASE :

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

### o. FOREIGN EXCHANGE TRANSACTIONS :

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction.

### p. EARNING PER SHARE :

Basic earning per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit / (loss) after tax as adjusted for the effects dividend, interest and other charges relating to the dilutive potential equity shares.

## 2. SHARE CAPITAL :

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
-------------	------------------------------	------------------------------

### 2.1 AUTHORISED SHARE CAPITAL :

**50,00,000** (Previous Year **5,00,00,000**) Equity Shares of Rs. 10 each

	<b>5,00,00,000</b>	<b>5,00,00,000</b>
--	--------------------	--------------------

### 2.2 Issued, Subscribed and Paid-up :

**39,67,920** (Previous Year **39,67,920**) Equity Shares of Rs. 10 each

	<b>3,96,79,200</b>	<b>3,96,79,200</b>
Total	<b>3,96,79,200</b>	<b>3,96,79,200</b>

### Notes :

### 2.3 Reconciliation of the number of shares outstanding :

Outstanding at the beginning of the year	<b>39,67,920</b>	<b>39,67,920</b>
Add : Issued During the year	-	-
Outstanding at the end of the year	<b>39,67,920</b>	<b>39,67,920</b>

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
-------------	------------------------------	------------------------------

### 2.4 Rights of Shareholders, Dividend and Repayment of Capital:

- The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share.
- The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 2.5 Details of Shareholders holding more than 5 per cent equity shares:

Name of Shareholders	Nos.		
1. Shanudeep Pvt. Ltd.	Nos.	<b>9,93,078</b>	<b>9,80,078</b>
	% holding	<b>25.03 %</b>	<b>24.70 %</b>
2. Vinadeep Investments Pvt. Ltd.	Nos.	<b>4,15,421</b>	<b>4,28,421</b>
	% holding	<b>10.47%</b>	<b>10.79 %</b>
3. Sheiladeep Investments Pvt. Ltd.	Nos.	<b>3,90,297</b>	<b>3,90,297</b>
	% holding	<b>9.84 %</b>	<b>9.84 %</b>

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>3. RESERVES AND SURPLUS :</b>		
<b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet.	9,91,98,000	9,91,98,000
<b>Reserve U/S.45 IC of RBI Act, 1934:</b>		
Balance as per last Balance Sheet.	14,16,00,000	13,46,00,000
Add : Amount transferred from Statement of Profit and Loss.	15,00,000	70,00,000
	<u>14,31,00,000</u>	<u>14,16,00,000</u>
<b>General Reserve No. I :</b>		
Balance as per last Balance Sheet.	12,60,00,000	12,50,00,000
Add : Amount Transferred from Statement of Profit and Loss	5,00,000	10,00,000
	<u>12,65,00,000</u>	<u>12,60,00,000</u>
<b>General Reserve No. II :</b>		
Balance as per last Balance Sheet.	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>
<b>Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	16,83,60,854	17,12,45,008
Add : Profit for the year	69,23,224	3,37,70,101
Available for Appropriations	17,52,84,078	20,50,15,109
Less: Appropriations:		
Transfer to Reserve u/s 45 IC of RBI Act,1934	15,00,000	70,00,000
Dividend Paid	2,38,07,520	2,38,07,520
Distribution tax on dividend paid	48,93,690	48,46,735
Transfer to General Reserve No. I	5,00,000	10,00,000
	<u>3,07,01,210</u>	<u>3,66,54,255</u>
Add: Recognition of subsidiary's profit on sale of shares outside the group	68,74,620	-
	<u>15,14,57,488</u>	<u>16,83,60,854</u>
Total	<u>52,22,55,488</u>	<u>53,71,58,854</u>

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>4. LONG TERM BORROWINGS</b>		
Loan from related party	1,97,73,986	1,97,73,986
Total	<u>1,97,73,986</u>	<u>1,97,73,986</u>
<b>5. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	5,76,120	5,88,706
Contingent Provisions against Standard Assets	7,60,000	7,60,000
Total	<u>13,36,120</u>	<u>13,48,706</u>
<b>6. TRADE PAYABLES</b>		
Outstanding dues of Micro Enterprises and Small Enterprises	-	-
Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,25,332	9,40,489
Total	<u>3,25,332</u>	<u>9,40,489</u>
<b>6.1 Disclosure in respect of Micro Enterprises and Small Enterprises :</b>		
a.	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	
b.	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	
c.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year.	
e.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	

## STANROSE MAFATLAL

Particulars	As at		Particulars	As at	
	31-3-2019	As at 31-3-2018		31-3-2019	As at 31-3-2018
	Rupees	Rupees		Rupees	Rupees

f. The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprise on the basis of information available with the Company.

### 7. OTHER CURRENT LIABILITIES

Statutory Liabilities	648	864
Unclaimed dividend	73,23,243	67,31,651
Other payables	-	12,50,000
<b>Total</b>	<b>73,23,891</b>	<b>79,82,515</b>

### 8. SHORT TERM PROVISIONS

Provision for Employee Benefits	1,28,800	1,82,710
<b>Total</b>	<b>1,28,800</b>	<b>1,82,710</b>

### 9. PROPERTY, PLANT AND EQUIPMENTS

(Amount in Rupees)

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-4-2018	Additions during year	Deductions/ Adjustments during the year	As at 31-3-2019	As at 1-4-2018	For the year	Deductions during the year	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
<b>Tangible Assets</b>										
Free-hold Land .....	2,52,90,450	-	-	2,52,90,450	-	-	-	-	2,52,90,450	2,52,90,450
Building (refer note) ...	1,25,06,883	5,01,125	1,09,399	1,28,98,609	76,96,879	5,73,141	1,03,929	81,66,091	47,32,518	48,10,004
Furniture & Fixtures ...	99,32,374			99,32,374	67,32,940	7,99,616		75,32,556	23,99,818	31,99,434
Office Equipment .....	63,09,923	3,70,496	1,47,237	65,33,182	53,76,080	4,71,318	1,39,875	57,07,523	8,25,659	9,33,843
Vehicles .....	1,90,72,365	73,037	10,72,982	1,80,72,420	1,35,49,317	16,07,587	10,19,333	1,41,37,570	39,34,850	55,23,049
Total Tangible Assets .	7,31,11,995	9,44,658	13,29,618	7,27,27,035	3,33,55,216	34,51,661	12,63,137	3,55,43,740	3,71,83,296	3,97,56,780
<b>Intangible Assets</b>										
Tenancy Rights .....	70,66,060	-	-	70,66,060	-	-	-	-	70,66,060	70,66,060
Total Intangible Assets	70,66,060	-	-	70,66,060	-	-	-	-	70,66,060	70,66,060
<b>TOTAL .....</b>	<b>8,01,78,055</b>	<b>9,44,658</b>	<b>13,29,618</b>	<b>7,97,93,095</b>	<b>3,33,55,216</b>	<b>34,51,661</b>	<b>12,63,137</b>	<b>3,55,43,740</b>	<b>4,42,49,356</b>	<b>4,68,22,840</b>
Previous Year .....	7,74,63,002	43,03,528	15,88,475	8,01,78,055	3,08,02,945	40,92,088	15,39,817	3,33,55,216	4,68,22,840	

Note - 1 : 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. NIL (Previous Year Rs. 250).

### 10. NON-CURRENT INVESTMENTS :

(Amount in Rupees)

Sr. No.	Particulars	Face Value per		As at 31-3-2019		As at 31-3-2018	
		Share	Qty.	Amount	Qty.	Amount	
			(No.)		(No.)		

#### (A). In Equity Shares of other Companies (At Cost) :

##### (Non-Traded and Fully paid)

##### (i) Quoted :

1.	Bajaj Finserv Limited .....	5	3,500	67,86,847	3,500	67,86,847
2.	Housing Development Finance Corp. Ltd.	2	15,000	3,17,091	15,000	3,17,091
3.	HDFC Bank Limited. ....	2	37,000	4,35,61,620	38,750	4,56,21,965

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Sr. Particulars No.	Face Value per Share	As at 31-3-2019		As at 31-3-2018	
		Qty. (No.)	At Cost or Book Value	Qty. (No.)	At Cost or Book Value
4. Moschip Semiconductor Techno Ltd. ....	2	10,000	5,05,300	10,000	5,05,300
5. Standard Industries Limited .....	5	1,24,04,487	18,21,90,871	1,24,04,487	18,21,90,871
6. Graphite India limited .....	2	3,500	37,40,297	-	-
7. Gabrieleal India Limited .....	1	25,000	37,56,544	-	-
8. Navin fluorine intern. Limited .....	2	6,700	36,82,600	-	-
		<b>Total A(i)</b>	<b>24,45,41,170</b>		<b>23,54,22,074</b>
<b>(ii) Unquoted :</b>					
1. Duville Estates Pvt. Ltd. ....	10	7,23,857	1,92,49,483	14,47,714	3,84,98,965
2. Federal-Mogul Bearings India Limited .....	10	582	55,290	582	55,290
3. Stanrose Fund Management Services Private Limited .....	100	950	95,000	950	95,000
4. Futura Polyesters Limited .....	10	78,300	-	78,300	-
5. Sarju International Limited .....	10	25,000	-	25,000	-
6. SIP Technologies and Exports Ltd. ....	10	3,000	-	3,000	-
7. Asian Electronics Limited .....	5	1,600	-	1600	-
8. Ankur Drug & Pharma Limited .....	5	300	-	-	-
9. Helios & Matheson Info.Tech. Limited .....	10	300	-	-	-
		<b>Total A(ii)</b>	<b>1,93,99,773</b>		<b>3,86,49,255</b>
		<b>Total A</b>	<b>26,39,40,943</b>		<b>27,40,71,329</b>
<b>(B) In Other Investments (At Cost)</b>					
Farewell - Painting .....			22,50,000		22,50,000
		<b>Total B</b>	<b>22,50,000</b>		<b>22,50,000</b>
		<b>Total. (A + B)</b>	<b>26,61,90,943</b>		<b>27,63,21,329</b>

### NOTES :

(a) Aggregate Value of Quoted Investments:		
Cost/Book Value .....	24,45,41,170	23,54,22,074
Market Value .....	34,10,21,855	37,46,30,045
(b) Aggregate Value of Unquoted Investments: .....		
Cost/Book Value .....	2,95,27,398	4,08,99,255

Particulars	As at	As at	Particulars	As at	As at
	31-3-2019	31-3-2018		31-3-2019	31-3-2018
	Rupees	Rupees		Rupees	Rupees
<b>11. DEFERRED TAX ASSETS</b>			<b>13. OTHER NON CURRENT ASSETS</b>		
Related to Property, plant and equipments	17,37,878	19,71,574	Interest Receivables	89,88,417	89,88,416
Related to disallowance under Income Tax Act 1961	1,60,277	1,63,778	<b>Total</b>	<b>89,88,417</b>	<b>89,88,416</b>
<b>Total</b>	<b>18,98,155</b>	<b>21,35,352</b>			
<b>12. LONG TERM LOANS &amp; ADVANCES</b>					
(Unsecured Considered Good)					
Loan to others	-	9,85,04,972			
Loans to Staff	7,60,000	2,31,383			
<b>Total</b>	<b>7,60,000</b>	<b>9,87,36,355</b>			



**14. INVENTORIES :**

Particulars		As at 31-3-2019 Rupees	As at 31-3-2018 Rupees		
<b>INVENTORY</b> (At lower of cost or net realisable value)		-	14,53,635		
Note : Statement of Stock in Trade Investments (Inventories) is as under :					
Sr. No.	Name of the Company	Face Value Rs.	Closing Stock (Qty.) As at 31-3-2019 As at 31-3-2018	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>(A) Equity Shares (Quoted) (Fully Paid) :</b>					
1.	Ankur Drug & Pharma Limited	5	- 300	-	1,179
2.	Helios & Matheson Info. Tech. Ltd.	10	- 300	-	3,135
4.	Hindustan Oil Exploration Co. Ltd.	10	- 6,800	-	2,14,540
5.	KPIT Technologies Ltd	2	- 800	-	1,17,920
6.	Lambodhara Textiles Ltd.	5	- 350	-	50,330
7.	Nestle India Limited	10	- 147	-	8,48,036
9.	Tata Power Limited	1	- 700	-	45,255
10.	Tata Steel Limited	10	- 474	-	1,65,540
<b>Total (A)</b>				-	14,45,935
Market Value				-	24,83,553
Cost				-	14,45,935
<b>(B) In other Investments :</b>					
1.	Equity Shares (quoted) Partly-paid up Rs. 154/- per share Tata Steel Limited	10	- 50	-	7,700
<b>Total (B)</b>				-	7,700
Market Value				-	7,065
Cost				-	7,700
<b>Total [ A+B ]</b>				-	14,53,635
Total Market Value				-	24,90,618
Total Cost				-	14,53,635
Lower of cost or net realisable value / Market Value				-	14,53,635

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees	Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
<b>15. CASH AND CASH EQUIVALENTS</b>					
<b>15.1 Cash</b>					
Cash on hand	3,19,752	35,424			
Balance with Banks					
in Current Accounts	38,78,072	18,97,315			
In Fixed Deposits Accounts	13,41,713	15,72,859			
<b>(B) Other Bank Balance</b>					
In earmarked accounts - unpaid dividend accounts	73,23,243	67,31,651			
<b>Total</b>	<b>1,28,62,780</b>	<b>1,02,37,249</b>			
<b>16. SHORT-TERM LOANS AND ADVANCES</b>					
(Unsecured, considered good)					
Sundry Deposits	1,29,175	1,29,175			
Intercompany Deposits	22,72,94,972	15,87,90,000			
Other advances	2,30,49,608	56,951			
Current Maturity of Loan and Advances to Staff	1,40,713	2,26,465			
Accrued Interest on Staff Loans	86,135	1,32,286			

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

Particulars	As at 31-3-2019 Rupees	As at 31-3-2018 Rupees
Prepaid Expenses	3,45,169	7,80,198
Advance Tax (net of Tax Provision)	42,81,982	15,01,712
Total	<u>25,53,27,754</u>	<u>16,16,16,787</u>

**17. OTHER CURRENT ASSETS**

Interest Receivable	14,372	6,561
Gratuity Plan Assets	28,105	2,45,000
Total	<u>42,477</u>	<u>2,51,561</u>

**18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS :**

**Contingent Liability**

Disputed Income Tax matter of Subsidiary company .....	-	9,18,000
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**Capital Commitments**

Payable towards partly-paid shares of Tata Steel (Rs. 461/- per shares)	-	23,050
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Particulars	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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**19. REVENUE FROM OPERATIONS**

Interest on ICD .....	3,67,080	75,63,189
Dividend Income from Non-current Investments .....	1,33,10,062	1,03,73,842
Dividend Income from investment held as stock in trade .....	4,57,360	19,662
Profit on Sale of Investments (Net) .....	3,52,58,667	7,31,25,795
Profit from Trading of Shares and Securities .....	15,80,899	15,742
Gain from derivative transactions (net) .....	-	55,680
Total	<u>5,09,74,068</u>	<u>9,11,53,910</u>

**19.1 Profit from Trading of Shares and Securities**

Sales .....	8,14,91,894	80,920
Closing Stock .....	-	14,53,635
Total (A) .....	8,14,91,894	15,34,555
Less : Purchases .....	7,84,57,360	45,440
Opening Stock .....	14,53,635	14,73,373
Total (B) .....	7,99,10,995	15,18,813
Total (A-B) .....	<u>15,80,899</u>	<u>15,742</u>

Particulars	Year ended 31-3-2019 Rupees	Year ended 31-3-2018 Rupees
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**20. OTHER INCOME**

Interest on Loan to Employees	26,282	34,569
Interest Income on fixed deposits .....	87,501	92,734
Interest Income on Income Tax Refund .....	604	-
Rent Income .....	60,000	-
Miscellaneous Income .....	41,864	43,082
Total	<u>2,16,251</u>	<u>1,70,385</u>

**21. EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages and Allowances .....	55,84,209	52,13,407
Contribution to Provident & Other Funds .....	4,27,698	4,41,347
Staff Welfare Expenses .....	5,89,997	5,26,879
Total	<u>66,01,904</u>	<u>61,81,633</u>

**22. OTHER EXPENSES**

<b>Rent :</b>		
Service and Amenities charges .....	34,26,720	34,04,940
Leave and License fees	25,62,960	25,25,710
Rates & Taxes .....	3,92,055	4,10,491
<b>Repairs &amp; Maintenance :</b>		
-- Building .....	14,600	1,600
-- Others .....	40,23,854	7,47,302
Insurance .....	2,71,718	2,72,226
Printing & Stationery .....	28,35,871	10,21,393
Postage and Telephone .....	28,79,420	9,99,634
Payment to Auditors .....	5,23,300	4,33,000
Commission to Directors .....	-	12,50,000
<b>Legal &amp; Professional Charges :</b>		
Legal & Professional Charges .....	27,83,232	28,62,428
Retainership fees .....	15,15,600	10,72,300
General Charges .....	25,91,238	13,32,411
Motor Car expenses .....	19,97,548	18,91,101
<b>Travelling &amp; Conveyance :</b>		
Travelling Expenses .....	41,89,274	8,98,851
Foreign Travelling Exp. ...	12,44,377	79,67,497
Donations .....	1,50,000	13,00,000
Contribution to corporate social responsibility .....	11,74,000	13,70,000
Miscellaneous Expenses ...	36,00,423	35,03,254
Total	<u>3,61,76,190</u>	<u>3,32,64,138</u>

## STANROSE MAFATLAL

Particulars	Year ended	Year ended
	31-3-2019	31-3-2018
	Rupees	Rupees
<b>22.1 Payment to Auditors (Including GST) :</b>		
(a) As Auditors .....	3,34,500	2,40,000
(b) For Tax Audit .....	29,500	25,000
(c) For Other Work	1,59,300	1,93,000
Total	<b>5,23,300</b>	<b>4,58,000</b>

### 22.2 Corporate Social Responsibility

Gross amount required to be spent during the year .....	11,13,577	13,07,239
Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	11,74,000	13,70,000

### 23 Exceptional Items

Waiver of interest on inter-corporate deposits on merger .....	-	(75,63,189)
Profit on sale of property, plant and equipment .....	17,88,383	3,02,842
Total	<b>17,88,383</b>	<b>(72,60,347)</b>

**25.** The Company is not holding and accepting deposits. Further, the total assets of the Company being less than Rs. 500 Crores, 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, 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, 2015 as amended.

### 26. SEGMENT INFORMATION :

The Company is primarily engaged in the business of Inter-corporate Investments, Capital Market Activities and Financing. Accordingly there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 - 'Segment Reporting', prescribed under Companies (Accounts) Rules, 2014.

### 27. LEASES :

The Company has an operating Lease rented facility at Mumbai with lock-in-period of 12 months from the date of its commencement. The future rent payments for the facility are as under:

	Year 2018-19	Year 2017-18
	Rupees	Rupees
Minimum future lease payments		
Not later than one year	8,22,000	8,22,000
Later than one year and not later than five years	-	-
	<b>8,22,000</b>	<b>8,22,000</b>

### 28. EMPLOYEE BENEFITS :

The Disclosures Required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standard) Rules, 2006 are given hereunder:

#### 28-A. Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's Contribution to Provident Fund	2,43,439	2,42,367
Employer's Contribution to Superannuation Fund	1,55,682	1,67,746
Employer's Contribution to ESI	28,577	31,234

#### 28-B. Defined Benefit Plans

##### i. Changes in Present Value of Obligations

Present Value of Obligations at the beginning of the year	24,03,000	36,24,000
Interest Cost	1,75,000	2,54,000
Current Service Cost	1,39,000	1,08,000
Actuarial (Gain)/Loss on Obligations	80,000	(2,000)
Benefits Paid	(6,25,000)	(15,81,000)

##### Present Value of Obligations

at the end of the year	<b>21,72,000</b>	<b>24,03,000</b>
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##### ii. Changes in the Fair Value of Plan Assets

Fair Value of Plan Assets at the beginning of the year	26,48,000	37,75,000
Expected Return on Plan Assets	1,83,000	2,30,000
Contributions	4,000	2,44,000
Actuarial Gain / (loss) on Plan Assets	(10,000)	(20,000)
Benefits Paid	(6,25,000)	(15,81,000)

##### Fair Value of Plan Assets

at the end of the year	<b>22,00,000</b>	<b>26,48,000</b>
Actual return on plan asset	1,73,000	2,10,000

### iii. The amount recognized in the Balance Sheet

(Amount in Rupees)

Particulars	2019	2018	2017	2016	2015
Present Value of Obligations as at the end of the year	21,72,000	24,03,000	36,24,000	44,89,000	36,23,186
Fair value of plan Assets as at the end of the year	22,00,000	26,48,000	37,75,000	43,29,000	37,49,763
Net (Asset) / Liability recognized in Balance sheet	<b>(28,000)</b>	<b>(2,45,000)</b>	<b>(1,51,000)</b>	<b>1,60,000</b>	<b>(1,26,577)</b>

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

Particulars	2019	2018	2017	2016	2015
Experience adjustments					
On plan assets (Loss) / Gain	(10,000)	(20,000)	71,000	3,77,000	(4,000)
On plan liabilities (Gain) / Loss	80,000	(2,000)	(48,000)	(7,000)	15,000

**Note :** The details of Experience adjustments have been disclosed to the extent of information available.

	Year	Year		
	2018-19	2017-18	Year	Year
	Rupees	Rupees	2018-19	2017-18
<b>iv. The amount recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	1,39,000	1,08,000		
Interest Cost	1,75,000	2,54,000		
Expected Return on Plan Assets	(1,83,000)	(2,30,000)		
Net actuarial (gain)/ Loss recognized in the year	90,000	18,000		
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>2,21,000</b>	<b>1,50,000</b>		
<b>v. Investment Details</b>				
Insurer Managed Funds			99.50%	99.50%
Bank Deposits			0.50%	0.50%
<b>vi. The principal actuarial assumptions used as at the balance sheet date for gratuity liability are as under:</b>				
Discount Rate			7.00%	7.30%
Annual Increase in Salary Cost			5.00%	5.00%
Expected Return on Plan Assets			7.30%	7.00%

### 29. EARNING PER SHARE :

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

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Profit after tax (Rs.) .....	69,23,224	3,37,70,101
No. of Equity Shares .....	39,67,920	39,67,920
Basic & Diluted Earnings per Share (Rs.) .....	1.74	8.51
Nominal Value of each Equity Share (Rs.) .....	10.00	10.00

### 30. 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 in respect of shares held by non-resident 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:

Particulars	Year 2018-19	Year 2017-18
Number of Non-Resident Shareholders .....	34	33
Number of Equity Shares held by them on which Dividend was due .....	33,013	7,524
Amount in Rupees remitted to Bankers or Power-holders in India of the Non-resident Shareholders .....	Rs. 1,98,078	Rs. 45,144
Year to which dividend relates .....	2017 - 2018	2016 - 2017

### 31. Foreign Currency Transactions :

	Year ended 31-3-2019	Year ended 31-3-2018
Travelling Expenses	-	Rs. 28,82,444
Total	-	Rs. 28,82,444

## STANROSE MAFATLAL

### 32. Disclosure requirement as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Entity	As at 31-03-2019				As at 31-03-2018			
	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or loss	Amount
<b>Parent</b>								
Stanrose Mafatlal Investment & Finance Limited	98.09%	55,11,78,226	101.58%	70,32,891	98.12%	56,59,71,924	101.20%	3,41,74,671
<b>Wholly Owned Subsidiary</b>								
Stan Plaza Limited	1.91%	1,07,56,463	-1.58%	(1,09,667)	1.88%	1,08,66,130	-1.20%	(4,04,570)
<b>Total</b>	<b>100.00%</b>	<b>56,19,34,689</b>	<b>100.00%</b>	<b>69,23,224</b>	<b>100.00%</b>	<b>57,68,38,054</b>	<b>100.00%</b>	<b>3,37,70,101</b>
Minority Interests in all subsidiaries	-	-	-	-	-	-	-	-

33. The Company has recommended a Dividend of Rs. 6/- Per Share for the year ended March 31, 2019 (Previous Year Rs. 6/- Per Share).

34. The Board at its meeting held on February 03, 2018 has approved the merger of Surcot Trading Private Limited (Transferor Company) and Umiya Real Estate Private Limited (Transferor Company) with Stanrose Mafatlal Investments and Finance Limited (Transferee Company), by way of a Scheme of Amalgamation and Arrangement ("Scheme") effective from April 1, 2017 pursuant to the applicable provisions of the Companies Act, 2013. As on date all the three companies have filed the petition before the National Company Law Tribunal (NCLT) – Ahmedabad Bench and Chennai Bench respectively and are awaiting for their approval. Since Surcot Trading Private Limited is going to be merged with the Company, the Board decided to waive the interest of Rs. 75.63 lacs outstanding as on September 30, 2017 on Inter Corporate Deposit and thereafter no interest is charged.

35. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

### 24. Related Party Transactions :

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

Sr. No.	Relationships	Name of related party
1	Subsidiary Company	Stanrose Mafatlal Lubchem Ltd. - in Liquidation * Stan Plaza Limited
2	Key Management Personnel (KMP)	Shri Pradeep R. Mafatlal Shri Madhusudan J. Mehta - Chief Executive Officer Shri Harshad V. Mehta - Chief Financial Officer Shri Soham A. Dave - Company Secretary
3	Relative of KMP	Smt. Pravina Mafatlal Miss Shivani Mafatlal* Shri Rajanya Mafatlal
4	Enterprise over which KMP having control or significant influence:	Standard Industries Limited [SIL] Stanrose Fund Management Services Private Limited Shanudeep Pvt. Ltd Vinadeep Investments Pvt.Ltd. Pradeep Investments Pvt. Ltd. Sheiladeep Holdings Pvt.Ltd* Navinchandra Mafatlal Medical Trust Umiya Real Estate Pvt.Ltd.*
		Sheiladeep Investments Pvt.Ltd Gagalbhai Investments Pvt. Ltd. SAP Investments Pvt. Ltd.* Gagalbhai Trading Pvt. Ltd.* Mafatlal Enterprises Ltd.* Umiya Balaji Real Estate Pvt.Ltd.*

\* No transaction done during the year.

**STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED**

Particulars	Subsidiary Company		KMP		Relatives of KMP		Enterprise over which KMP having control or significant influence	
	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18	Year 2018-19	Year 2017-18
<b>(A) Volume of Transactions :</b>								
Expenses: Leave and Licence Fees & Other Services :								
Shanudeep Private Limited	-	-	-	-	-	-	59,89,680	59,30,650
<b>C.S.R. Expenditure:</b>								
Navinchandra Mafatlal Medical Trust	-	-	-	-	-	-	11,14,000	13,10,000
<b>Remuneration :</b>								
(1) Shri M. J. Mehta			11,01,600	4,50,000	-	-	-	-
(2) Shri H. V. Mehta			8,11,016	8,45,792	-	-	-	-
(3) Shri S. A. Dave			5,62,219	5,80,627	-	-	-	-
<b>Sitting Fees Paid:</b>								
Shri Pradeep R. Mafatlal	-	-	-	-	15,000	10,000	-	-
<b>Commission Paid:</b>								
Shri Pradeep R. Mafatlal	-	-	-	-	-	10,50,000	-	-
<b>Income :</b>								
<b>1. Profit on sale of Investment :</b>								
Standard Industries Limited	-	-	-	-	-	-	3,39,56,029	-
<b>2. Dividend Received:</b>								
Standard Industries Limited	-	-	-	-	-	-	1,24,04,487	93,03,365
<b>Asset :</b>								
<b>Loan given / (Received back)</b>								
(1) Shri Harshad V. Mehta	-	-	-	(1,57,500)	-	-	-	-
(2) Shri Soham A. Dave	-	-	9,00,000	(1,32,110)	-	-	-	-
<b>Other :</b>								
<b>Dividend Paid:</b>								
Shanudeep Private Limited	-	-	-	-	-	-	59,58,468	58,80,468
Sheladeep Investments Pvt. Ltd.	-	-	-	-	-	-	23,41,782	23,41,782
Vinadeep Investments Pvt. Ltd.	-	-	-	-	-	-	24,92,526	25,19,220
Gagalbhai Investments Pvt. Ltd.	-	-	-	-	-	-	2,62,356	2,62,356
Pradeep Investments Pvt. Ltd.	-	-	-	-	-	-	1,08,720	1,08,720
Standard Industries Limited	-	-	-	-	-	-	1,14,054	1,14,054
Shri Pradeep R. Mafatlal	-	-	-	-	84,240	84,240	-	-
Smt. Pravina Mafatlal	-	-	-	-	88,812	88,812	-	-
Shri Rajanya Mafatlal	-	-	-	-	1,044	1,044	-	-
<b>Balances at the Year end:</b>								
<b>Payables</b>								
Standard Industries Limited	-	-	-	-	-	-	1,97,73,986	1,97,73,986
<b>Receivables</b>								
Shri Soham A. Dave	-	-	8,80,000	3,07,890	-	-	-	-

**(B) Related Party Transactions:**

<p>As per our report of even date attached.</p> <p align="center"><b>For Manubhai &amp; Shah LLP</b> Chartered Accountants ICAI Firm Registration No. : 106041W/W100136</p> <p align="center"><b>K. B. Solanki</b> Partner Membership no. : 110299 Ahmedabad, Dated : May 30, 2019</p>	<p align="center">For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.</p> <table style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p> </td> <td style="width: 50%; text-align: center;"> <p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p> </td> </tr> <tr> <td style="width: 50%; text-align: center;"> <p><b>S. A. DAVE</b> Company Secretary</p> </td> <td style="width: 50%; text-align: center;"> <p><b>H. V. MEHTA</b> Chief Financial Officer</p> </td> </tr> </table> <p align="center">Mumbai, Dated : May 30, 2019</p>	<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>	<p><b>S. A. DAVE</b> Company Secretary</p>	<p><b>H. V. MEHTA</b> Chief Financial Officer</p>
<p><b>P. R. Mafatlal</b> Chairman DIN : 0015361</p>	<p><b>M. J. Mehta</b> Director &amp; CEO DIN : 00029722</p>				
<p><b>S. A. DAVE</b> Company Secretary</p>	<p><b>H. V. MEHTA</b> Chief Financial Officer</p>				

**Form No. AOC-1****Statement containing salient features of the Financial Statement  
of Subsidiaries/Associate Companies/Joint Ventures**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part "A":Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	SL No.	
2	Name of the Subsidiary	Stan Plaza Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N. A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N. A.
5	Share capital	5,00,070
6	Reserves & Surplus	1,02,56,393
7	Total Assets	4,31,90,674
8	Total Liabilities	4,31,90,674
9	Investments	-
10	Turnover	1,48,105
11	Profit before taxation	84,705
12	Provision for taxation	0
13	Profit after taxation	(1,09,667)
14	Proposed Dividend	-
15	% of Shareholding	100%

**Part "B" : Associates and Joint Ventures**

Not Applicable

For and on behalf of the Board of Directors of Stanrose Mafatlal Investments and Finance Ltd.		
	<b>P. R. Mafatlal</b> <i>Chairman</i> DIN : 0015361	<b>M. J. Mehta</b> <i>Director &amp; CEO</i> DIN : 00029722
Mumbai, Dated : May 30, 2019	<b>S. A. DAVE</b> <i>Company Secretary</i>	<b>H. V. MEHTA</b> <i>Chief Financial Officer</i>



## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of the Members of the Company will be held on Friday, August 23, 2019 at 10.30 A.M. at 'Banquet Hall', Karnavati Club Limited, S. G. Highway, Ahmedabad - 380 058, Gujarat, to transact the following business:

#### ORDINARY BUSINESS:

##### Item No. 1. Adoption of Financial Statements

###### To consider and adopt:

- (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon.

##### Item No. 2. Declaration of Dividend

To declare Dividend on Equity Shares. The Board of Directors has recommended a Dividend of Rs. 6/- per Equity Share of Rs.10/- each.

##### Item No. 3. Appointment of Director

To appoint a Director in place of Shri Pradeep R. Mafatlal, (DIN 00015361) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### Item No. 4 -Related Party Transaction

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and including any modification or amendments or clarifications thereon as are made from time to time, if any, and pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder, as may be applicable and subsequent modifications/ amendments thereto as are made from time to time, approval of the shareholders be and is hereby accorded to the transaction of sale/disinvestment of 14,47,714 equity shares of Duville Estates Private Limited in one or more trench to Standard Industries Limited, a related party within the meaning of the aforesaid law or any other related party, at arm's length basis and in the ordinary course of the Company's business after taking into consideration of valuation report.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be required or necessary and also to settle any question, difficulty or doubt that may arise with regard to giving

effect to the above Resolution and also to sign and execute necessary documents and papers as in its absolute discretion deemed necessary, proper, desirable and to finalize any documents and writings in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution and that all actions already taken by the Board of Directors of the Company, be hereby approved/ratified in this regard."

#### 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for other person or shareholder. 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 Register of Members and the Share Transfer Books of the Company will remain closed from August 17, 2019 to August 23, 2019 (both days inclusive) for annual closing and determining the entitlement of the shareholders dividend for 2018-19.
- (f) The Dividend on Equity Shares if declared at the Meeting will be paid on September 6, 2019 or thereafter to those members whose names shall

appear on the Company's Register of Members on August 16, 2019; 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

- (g) 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 participants of the members. Members holding shares in physical form and desirous of either registering or changing bank particulars already registered against their respective folios are requested to write to the Registrar and Transfer Agent.
- (h) 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 concerned DP and holdings should be verified.
- (i) The Company has designated an exclusive email ID viz. [investorcare@stanroseinvest.com](mailto:investorcare@stanroseinvest.com) to enable investors to post their grievances, if any, and monitor its redressal.
- (j) 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 2018-19 will be sent along with the Notice to all the members whose email addresses are registered with the Company/its Registrar/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 2018-19 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 Registrar/Depository Participant.

Members can download the Notice of the 39th Annual General Meeting and the Annual Report 2018-19 available on the Company's website [www.stanroseinvest.com](http://www.stanroseinvest.com). The physical copies of the aforesaid documents are 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.

- (k) Additional information, pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013 in respect of the director seeking appointment/reappointment at the AGM, are given hereunder:

**Shri Pradeep R. Mafatlal:**

Shri Pradeep R. Mafatlal, aged 55 years, has obtained Davar's Diploma in Commerce (D.D.Com.) and has also completed a Diploma Course in Business Management. He belongs to the illustrious House of Mafatlals. He is associated with the Company as a Director since last twenty-eight years and as its Chairman since last sixteen years. He is a member of the Stakeholders' Relationship Committee of the Company as also of Standard Industries Limited.

He is also the Chairman of Standard Industries Limited, Mafatlal Enterprises Ltd., Umiya Real Estate Pvt. Ltd., Umiya Balaji Real Estate Pvt. Ltd. and Shanudeep Pvt. Ltd. and Director of Sheiladeep Investments Pvt. Ltd., Vinadeep Investments Pvt. Ltd. and HPA Sports Pvt. Ltd.

He is holding 28,842 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 his services as a Director. Accordingly, the Board recommends his re-appointment.

Except Shri Pradeep R. Mafatlal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.3.

- (l) Voting through electronic means:
- ❖ In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

('remote e-voting'). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Agency to provide this facility.

- ❖ Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but will not be entitled to cast their vote again.
- ❖ The facility for voting through ballot will be made available at the AGM, and members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM.

**The instructions for members for voting electronically are as under:- (EVSN - 190710022)**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For CDSL: 16 digits

beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

- (iv) Members holding shares in multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (v) If you are holding shares in Demat form and logged on to [www.evotingindia.com](http://www.evotingindia.com) and cast your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, both Demat and Physical holders shall fill up the following details in the appropriate boxes:

**Table showing details to be filled by shareholders :**

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format or your folio.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Members holding shares in physical form and who have not updated their PAN with the Company are requested to use the sequence number which is printed on Address Slip on the Cover of Annual Report.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL. It is strongly recommended to take utmost care to keep your password confidential and not share it with any other person.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view further description/entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com), click on 'registration' and fill up the required details. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) for receiving their login details. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. Before casting vote, they should upload a scanned copy of the Board Resolution/Power of Attorney (POA) in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xix) The voting period begins on Tuesday, August 20, 2019 (9:00 a.m.) and ends on Thursday, August 22, 2019 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 16, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after August 22, 2019 (5:00 p.m.).
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. The m-Voting app can be downloaded from Google Play Store. I-phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) Any person who acquires the shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the Cut-off date may obtain the Login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting, then the person becoming a member can use his/her existing User ID and password for casting his/her vote.
- (xxii) The Company has appointed Shri Manoj Hurkat, a Practicing Company Secretary, Ahmedabad (Membership No.- 4287, COP No.- 2574), as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the meeting period unlock the votes in the presence of at least two witnesses not in the employment of the Company and will make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.stanroseinvest.com](http://www.stanroseinvest.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchange.

**Registered Office:**  
Popular House,  
Ashram Road,  
AHMEDABAD - 380 009.  
Mumbai.  
Dated: May 30, 2019

By Order of the Board  
**Soham A. Dave**  
Company Secretary

## STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

### ANNEXURE TO THE NOTICE :

**Explanatory statement pursuant to Section 102 of the Companies Act, 2013. [It may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to items Nos. 4 contained in the accompanying Notice dated May 30, 2019.

**In respect of Item No. 4:**

The Company had received proposal from Standard Industries Limited for purchase of 14,47,714 Equity Shares of Duville Estates Private Limited. Meanwhile, the Company was also exploring the possibilities to disinvest the same for some time. It was decided to do this on Fair Value and so two Chartered Accounts were appointed for valuing the shares of Duville Estates Private Limited. The Company has disinvested 50% of the total holding in December, 2018 and remaining 50% in May 2019. The transaction in its ordinary course of business and also at arm's length basis. M/s S.U. Kapasi & Co, Chartered Accountants, Ahmedabad has provided valuation of Rs. 85/- for each equity shares of Duville Estate Private Limited, while M/s. KDK & Associates has provided valuation of Rs. 83/- per share.

The Company has noted that Stanrose Mafatlal Investments and Finance Limited and Standard Industries Limited fall under the category of a related party in terms of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 as it is related party under Accounting Standard - 18.

The provisions of the Listing Regulations consider a transaction with a related party material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Further, the Listing Regulations requires all material related party transactions to be approved by the shareholders and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transaction(s) entered into with Stanrose Mafatlal Investments and Finance Limited and Standard Industries Limited whether individually and/or in aggregate is exceeding the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders for the aforesaid transaction that have been taken place.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder for the specified transactions with these two companies, the same is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on these resolutions.

The relevant information is as follows: -

1.	Name of related parties	Stanrose Mafatlal Investments and Finance Limited and Standard Industries Limited
2.	Name of Director or KMP who is related	Shri Pradeep R. Mafatlal
3.	Nature of relationship	Shri Pradeep R. Mafatlal who is a Non-Executive Director is Key Management Personnel in both the Companies.
4.	Monetary value	14,47,714 shares have been sold @ Rs. 83/- per Equity share. Total consideration of Rs.12.02 cr. has been received from Standard Industries Limited.
5.	Nature, material terms and particulars of arrangement	The Company is in the business of investments related activity. The Company has acquired the shares of Duville Estates Private Limited in 2016. The Management felt that it was correct time to disinvest the shares as the valuation of the shares were appreciated. However, the transaction was on arm's lengths basis and in the ordinary course of the Company's business.
6.	Any advance paid or received for the arrangement, If any.	The Company has made two transaction and in both the transactions, Standard Industries have paid full amount in Advance.

The Audit committee and the Board of the Directors of the Company have considered the said arrangements and limits and have approved the transaction of sale of equity shares of Duville Estates Private Limited with the Related

Party(ies) (i.e.Stanrose Mafatlal Investments and Finance Limited and Standard Industries Limited). In view of requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

## **STANROSE MAFATLAL**

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2015, the Company has decided to seek approval of the members of the Company at the ensuing Annual General Meeting.

Shri Pradeep R. Mafatlal and his relatives are concerned or interested in the resolution at Item No. 4 to the extent of their respective shareholding in both the companies.

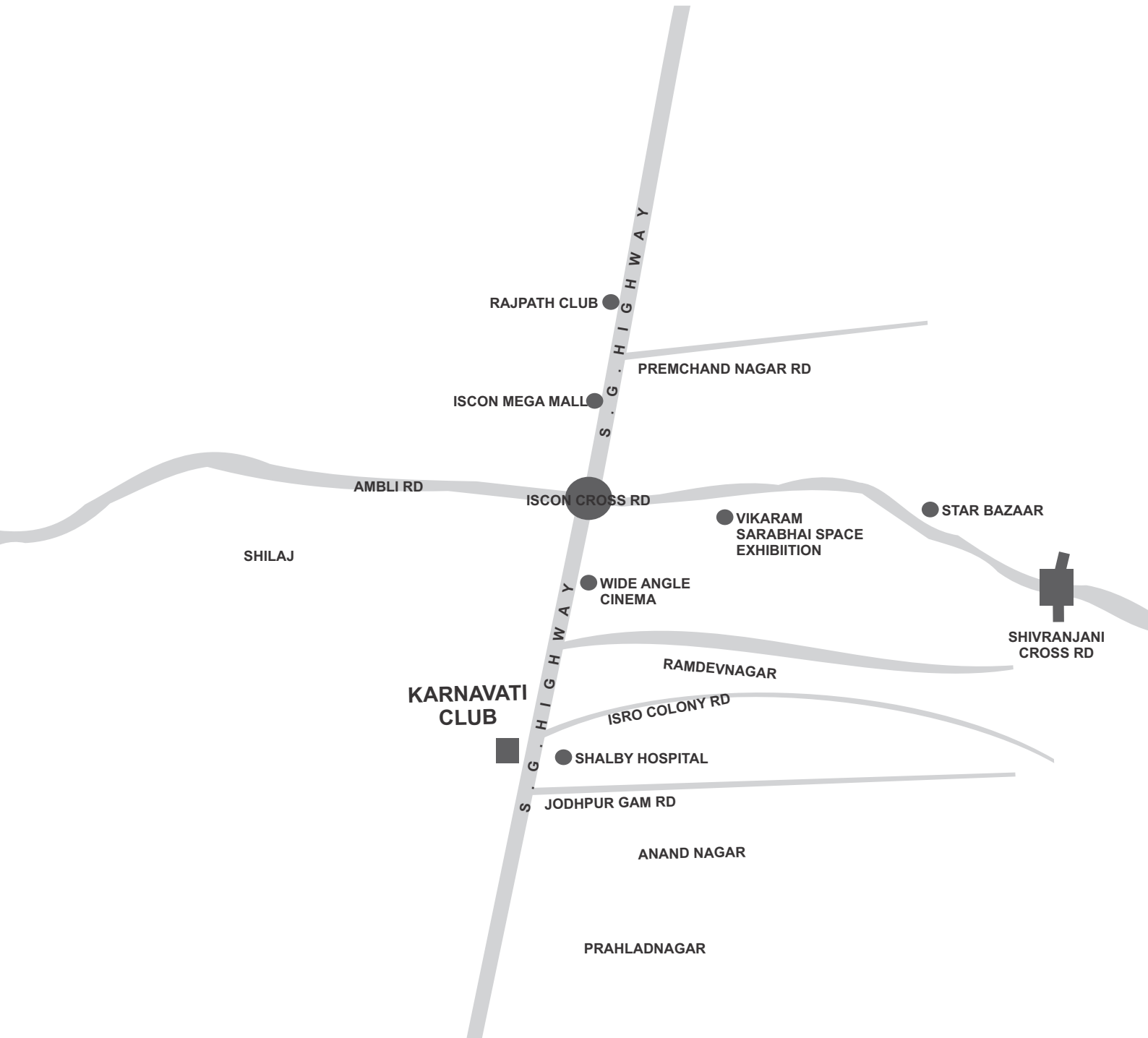
None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution.

The Board of Directors recommends the Ordinary resolution for your approval.

**Registered Office:**  
Popular House,  
Ashram Road,  
AHMEDABAD - 380 009.  
Mumbai.  
Dated: May 30, 2019

By Order of the Board  
**Soham A. Dave**  
Company Secretary

# ROAD MAP TO THE VENUE REACHING KARNAVATI CLUB





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# STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.

CIN: L65910GJ1980PLC003731

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

Website: [www.stanroseinvest.com](http://www.stanroseinvest.com) Email: [info@stanroseinvest.com](mailto:info@stanroseinvest.com) Tel. 079-26580067/96

Form No. MGT-11

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : .....

Registered Address: .....

E-mail Id: ..... No. of Shares held .....

Folio No. / Client ID \* ..... DP ID \* .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

(1) ..... of .....  
having E-mail Id : ..... or failing him

(2) ..... of .....  
having E-mail Id : ..... or failing him

(3) ..... of .....  
having E-mail Id : .....

\* Applicable for members holding shares in electronic form

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on August 23, 2019 at 10.30 a.m. at `Banquet Hall', Karnavati Club Limited, S. G. Highway, Ahmedabad - 380 058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1	Adoption of Financial Statements
2	Declaration of Dividend
3	Re-appointment of Shri Pradeep R. Mafatlal as Director
4.	Related Party Transaction

Affix  
15 Paise  
Revenue  
stamp

Signed this ..... day of ..... 2019

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated..



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**STANROSE MAFATLAL INVESTMENTS AND FINANCE LTD.**

CIN: L65910GJ1980PLC003731

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

Website: [www.stanroseinvest.com](http://www.stanroseinvest.com) Email: [info@stanroseinvest.com](mailto:info@stanroseinvest.com) Tel. 079-26580067/96

**ATTENDANCE SLIP**

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

**39th Annual General Meeting - August 23, 2019**

DP ID No. .... Client ID No. ....

I hereby record my presence at the Thirty-Ninth Annual General Meeting of the Company held at Banquet Hall, Karnavati Club Ltd., S.G. Highway, Ahmedabad 380058 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 .....

*If undelivered please return to :*  
**STANDOSE MAFATLAL**  
**INVESTMENTS AND FINANCE LTD.**  
Popular House,  
Ashram Road,  
Ahmedabad-380 009.

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