

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER AND YEAR ENDED 31ST MARCH, 2009**

(Rs. in lacs)

PARTICULARS	Quarter ended	Quarter ended	Year to date	
	31-Mar-09	31-Mar-08	figures for current	Year to date
	(Unaudited)	(Unaudited)	Twelve months ended	figures for previous
	(1)	(2)	31-Mar-09	Eighteen months ended
			(Unaudited)	31-Mar-08
			(3)	(Audited)
				(4)
1 a Net sales/ income from operations	2,745.52	3,196.18	12,707.75	36,396.39
b Other Operating Income	827.37	1,023.36	3,092.54	4,503.61
Total income (1 a + 1 b)	3,572.89	4,219.54	15,800.29	40,900.00
2 Expenditure				
(a) (Increase) / Decrease in stock-in-trade and work-in-progress	2.96	4.40	258.50	898.51
(b) Consumption of raw materials	548.52	1,008.40	3,690.85	6,563.80
(c) Purchase of traded goods	558.25	7.20	849.17	141.71
(d) Employees cost	917.58	1,166.78	3,594.80	5,110.21
(e) Power and fuel	1,128.83	1,201.95	5,002.46	7,375.02
(f) Depreciation	87.71	112.84	399.14	807.08
(g) Provision for Diminution in value of investments	-	1,874.89	-	2,824.52
(h) Cost of Land Sold	-	-	-	1,500.06
(i) Other expenditure	1,196.94	1,431.28	5,617.87	10,169.83
(j) Total	4,440.79	6,807.74	19,412.79	35,390.74
3 (Loss)/ Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2)	(867.90)	(2,588.20)	(3,612.50)	5,509.26
4 Other Income	-	89.84	17.75	126.18
5 (Loss)/ Profit before Interest & Exceptional items (3 + 4)	(867.90)	(2,498.36)	(3,594.75)	5,635.44
6 Interest (net)	199.73	151.18	789.71	2,681.92
7 (Loss)/ Profit after Interest but before Exceptional items (5 - 6)	(1,067.63)	(2,649.54)	(4,384.46)	2,953.52
8 Exceptional items	-	-	-	-
9 (Loss)/ Profit from ordinary activities before tax (7 + 8)	(1,067.63)	(2,649.54)	(4,384.46)	2,953.52
10 Tax expense				
(a) Provision for Current tax (including wealth tax)	0.40	0.40	0.40	0.90
(b) Provision for Fringe Benefit tax	4.00	4.10	15.60	22.31
11 Net (loss)/ profit after tax from ordinary activities for the period (9 - 10)	(1,072.03)	(2,654.04)	(4,400.46)	2,930.31
12 Paid-up equity share capital (face value of Rs. 10/- per share)	499.94	499.94	499.94	499.94
13 Reserves excluding revaluation reserve as per Balance sheet of the previous accounting year (after adjusting debit balance in Profit and Loss account, Rs.65,028.75 lakhs)				(44,769.69)
14 Earnings per share (EPS) - in Rupees Basic and diluted EPS for the period, for the year to date and for the previous period (not annualized)	(21.44)	(53.09)	(88.01)	58.61
15 Public shareholding				
- Number of shares	3,362,771	3,362,771	3,362,771	3,362,771
- Percentage of shareholding	67.26%	67.26%	67.26%	67.26%
16 Promoters and promoter group Shareholding				
a) Pledged/ Encumbered				
Number of shares	NIL		NIL	
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL		NIL	
Percentage of shares (as a % of the total share capital of the company)	NIL		NIL	
b) Non-encumbered				
Number of shares	1,637,229		1,637,229	
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%		100.00%	
Percentage of shares (as a % of the total share capital of the company)	32.74%		32.74%	

NOTES:

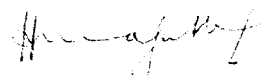
1. (a) As reported earlier, the Board for Industrial & Financial Reconstruction (BIFR) has sanctioned a rehabilitation scheme [‘the Sanctioned Scheme’ (SS)] for the Company vide their Order dated 30th October, 2002, issued on 15th November, 2002. The Company had taken several steps for implementation of the scheme, but certain delays occurred in completion of reorganization of charges. In line with directions of BIFR, the Company had submitted the Draft Modified Rehabilitation Proposal (DMRP) to Monitoring Agency (MA), which after holding the joint meeting and incorporating the views of participants, submitted the DMRP to BIFR. Based on DMRP, BIFR has prepared and circulated the Modified Draft Rehabilitation Scheme (MDRS) to all concerned agencies for their consent/comments, in terms of provisions of Section 19(1) and 19(2) of Sick Industrial Companies (Special Provisions) Act, 1985. MDRS, *inter-alia*, provides for part sacrifice of the principal amounts outstanding and a complete waiver of interest and other dues from Secured lenders. In view of the foregoing, the unaudited financial results of the Company are prepared on going concern basis, which is dependent upon the successful implementation of the MDRS.

(b) During the earlier year and the current year, the Company negotiated with certain banks for a One-Time-Settlement (OTS) of the outstanding dues. At the behest of the Company, dues aggregating to Rs.12,038.15 lacs as on 31st March, 2008 and aggregating to date Rs.50,900.58 lacs are assigned by the banks, along with underlying security and all other rights, title and entitlements to group Companies for assignment consideration of Rs.2,230.85 lacs as on 31st March, 2008 and aggregating to date Rs.12,375.85 lacs, including, where applicable, interest payable by these Companies. As mentioned above, MDRS incorporates, *inter alia*, terms for settlement with the secured creditors. Necessary accounting entries would be passed upon successful implementation of the MDRS.
2. The qualifications of the auditors on the financial statements for the previous accounting period ended 31st March, 2008/ limited review for the nine months period ending 31st December, 2008 and the management’s comments thereon (in brackets) are as follows:
 - a. regarding, non provision of interest of Rs.3,483.95 lacs, upto 31st March, 2008, Rs.6,315.53 lacs upto 31st December, 2008 and aggregate to date Rs.7,303.72 lacs on certain secured creditors (Will be appropriately dealt with upon sanctioning of MDRS by BIFR).
 - b. regarding, certain reliefs and concessions recommended in the SS and considered in the accounts (These are dependent upon successful implementation of the MDRS, for which steps have already been initiated by the Company);
 - c. regarding, non-provision for diminution in the value of unquoted investments. (These investments are strategic and long-term investments);
 - d. regarding, non-provision for overdue debts, loans and advances. (Includes Companies where Company’s involvement is of strategic and long term nature. The Company has augmented efforts for collecting them and are expected to be recovered in due course. Irrecoverable amounts, if any, are presently not ascertainable);
 - e. regarding, non-confirmation of balances of debtors, creditors, certain loans taken, bank accounts and loans/ advances given. (The Company is in the process of obtaining them);
 - f. regarding, carrying forward of capital work-in-progress, outstanding to date Rs. 159.76 lacs. (These are dependent upon successful implementation of the MDRS, for which steps have already been initiated by the Company);
 - g. regarding, non-accounting of rent/ recovery of expenses from certain tenants/ ex-tenants, of Rs. 170.84 lacs upto 31st March, 2008, Rs. 177.94 lacs upto 31st December, 2008 and aggregate to date of Rs. 180.30 lacs. (This has been done on legal advice).

The impact of the quantifiable qualifications, viz. 2.a and 2.g, is that the loss before tax for the quarter ended 31st March, 2009 would have been Rs.8,191.05 lacs and for the year ended 31st March, 2009 would have been Rs.11,507.88 lacs.

3. Pursuant to the SS aforementioned, the Ahmedabad Unit of the Company has discontinued operations with effect from 1st March, 2003. On 21st May, 2003, the Company entered into an 'Agreement to Sell' with Annapurna Polymers Private Limited (APPL) for this Unit at an aggregate consideration of Rs.677.70 lacs. The sale, after getting all approvals, was to be completed on or before 31st December, 2003. Pending this, a separate 'Conducting Agreement' has been entered with APPL, effective 1st June, 2003, under which APPL will operate the Unit on the Company's behalf. On expiry of the aforementioned period, till 31st December, 2003, it has been mutually agreed to extend the period further, till 30th June, 2009.
4. Other expenditure disclosed in Column 4 for the previous accounting period ended 31st March, 2008 includes Rs.425 lacs, towards stamp duty on amalgamation of The Mafatlal Fine Spinning and Manufacturing Co. Limited with the Company based on Order of the Superintendent of Stamps, dated 30th April, 2007.
5. There were no complaints from investors pending at the beginning of the quarter. The Company received and resolved one such complaint during the quarter (nine during the year) and consequently there is no complaint pending at the end of 31st March, 2009.
6. The Company had, in an earlier year, entered into a 'Development Agreement' with Marathon Realty Limited (MRL), for a portion of its land at Lower Parel, Mumbai. On completion of the development project, it was entitled to a fixed percentage share in the sale proceeds from selling Units in the building/s constructed under this Agreement. During the previous accounting period ended 31st March, 2008, the Company executed a deed of lease for assignment and transfer of the Company's entitlement in the (future) gross sale proceeds from selling Units, as aforementioned, for an aggregate consideration of Rs. 15,847.55 lacs which has been included in 'Net Sales/ Income from operations'. As required by the Development Control Rules, Government of Maharashtra, the utilization of sales proceeds from sale of textile mill lands is being monitored by a Monitoring Committee appointed by the State Government.
7. The Company operates solely in the textile business segment.
8. The financial statements of the previous accounting period were for eighteen months ended on 31st March, 2008. In the previous accounting period, the Company submitted audited financial results under Clause 41(1)(d)(ii) of the listing agreement and hence was not required to submit the financial results for quarter ended 31st March, 2008. The figures given in Column No. 2 for the quarter ended 31st March, 2008 are derived by subtracting unaudited financial result for fifteen months period ending 31st December, 2007 from the Audited financial results for 18 months period ending 31st March, 2008.
9. Previous period's figures have been regrouped, wherever necessary, to correspond with those of the current period/ year.
10. The above results have been taken on record by the Board of Directors at its meeting held on 22nd April, 2009 and have been subjected to Limited Review by the Statutory Auditors.

For **MAFATLAL INDUSTRIES LIMITED**



H. A. MAFATLAL
VICE CHAIRMAN

Mumbai dated, 22nd April, 2009