

MISHAPAR INVESTMENTS LIMITED

ACCOUNTS

FOR THE YEAR ENDED

31st MARCH, 2010

**M.A.PARIKH & CO.
CHARTERED ACCOUNTANTS
MUMBAI : 400 023**

DIRECTORS' REPORT:

To:
The Members,
MISHAPAR INVESTMENTS LIMITED

Your Directors have pleasure in presenting their Thirty First Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS:

	<u>Current Year Rupees</u>	<u>Previous Year Rupees</u>
Gross Income	5924653	4840521
Profit/(Loss) before taxes	5061846 -----	3311790 -----
Profit/(Loss) after taxes	5031846	3311790
(Short) provision for tax of Earlier year	----	(4300000)
Deficit brought forward from previous year	(240166514) -----	(239178304) -----
Deficit carried to Balance Sheet	<u>(235134668)</u>	<u>(240166514)</u>

2. DIVIDEND:

Your Directors regret their inability to declare any dividend.

3. DIRECTORATE:

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Shri P.J. Desai, Director of the Company will retire by rotation at the ensuing Annual General Meeting, but being eligible, offers himself for re-appointment.

4. AUDIT COMMITTEE:

The Company has an Audit Committee having powers and functions as prescribed under Section 292A of the Companies Act, 1956 which consist of three Directors viz. Shri K.R. Jethani, Shri Manoj D. Pandya and Shri S.U. Thakkar.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under the provisions of Section 217 (2AA) inserted by the Companies (Amendment) Act, 2000 in the Companies Act, 1956, your Directors report that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis

6. RESERVE BANK OF INDIA DIRECTIONS:

As on 31st March 2010 there were no public deposits accepted by the Company and therefore the particulars stipulated in respect thereof are NIL.

7. HOLDING COMPANY:

Your Company continues to be a subsidiary of Mafatlal Industries Ltd.

8. SUBSIDIARY COMPANIES:

As required under Section 212 of the Companies Act, 1956, the Audited Balance Sheet as at and Profit & Loss Account along with the Directors Report for the Year ended 31st March 2010 of Sudas Manufacturing & Trading Ltd and Sunanda Industrial Machinery Ltd., Subsidiaries of your Company are attached hereto.

9. PARTICULARS OF EMPLOYEES:

Your Company has not employed any persons, and therefore, statement pursuant to Section 217 (2A) of the Companies Act, 1956, has not been annexed.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is not engaged in manufacturing activities. Therefore, there is no information to submit in respect of conservation of energy and technology absorption. The Company has no foreign exchange earnings and outgo during the year.

11. APPOINTMENT OF AUDITORS:

At the Annual General Meeting of the Company, Members are requested to appoint Auditors and fix their remuneration. The specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and give complete information.

For and on behalf of the Board,


DIRECTOR

Registered Office:
Mafatlal House
Backbay Reclamation
Mumbai 400020

MUMBAI
DATED: 21st June 2010

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Auditor's report

To, the shareholders of Mishapar Investments Limited

1. We have audited the attached Balance sheet of Mishapar Investments Limited, as at 31st March, 2010, the Profit and Loss account and also the Cash-flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance sheet, Profit and Loss account and Cash-flow statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, *subject to note 3(b) of schedule 9, regarding non-provision for diminution in the value of unquoted investments*, the Balance sheet, Profit and Loss account and Cash-flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- (vi) attention is invited to the following in schedule 9:
- note 3(a), regarding the opinion framed by the Company for the diminution in the value of quoted investments;
 - note 3(b), regarding non provision for diminution in value of unquoted investments;
 - note 4(a) & (b) and 5(a), regarding the opinion framed by the Company with respect to recovery aspects of outstanding sundry debtors and loans and advances; and
 - note 8, regarding non verification / non confirmation/ non availability of information of certain investments.

The overall effect of the aforesaid matters on the financial statements for the year ended 31st March, 2010 and on the corresponding figures for the previous year ended 31st March, 2009, could not be determined.

Subject to the foregoing, in our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010;
- in the case of the Profit and Loss account, of the loss for the year ended on that date; and
- in the case of the Cash-flow statement, of the cash-flows for the year ended on that date.



For M.A.Parikh & Co.,
Chartered Accountants
Firm Regn. No.: 107556W

(Dhaval B. Selwadia)

Partner

Membership no. 100023

Mumbai, dated, 21st June, 2010

Annexure to the Auditor's report

Re: Mishapar Investments Limited

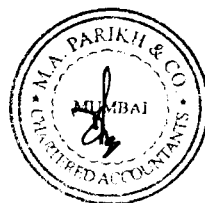
(Referred to in paragraph 3 of our report of even date)

- 1 The requirements of the following Clauses of Paragraph 4 of the Order are not applicable to the Company, keeping in view that it is an investment company as also the nature of activities carried out / transactions entered into by it:

Reference of Clause No.	Relating to:
4(i)	Fixed Assets
4(ii)	Inventories
4(iii)	Taking / Granting of any loans, secured or unsecured, from / to companies, firms or other parties covered under section 301 of the Companies Act, 1956
4(iv)	Internal control system for the purchase of fixed asset and inventory and for the sale of goods and services
4(v)	Contracts or arrangements referred to in section 301 of the Companies Act, 1956
4(vi)	Acceptance of deposits from the public
4(viii)	Maintenance of cost records
4(xi)	Repayment of dues to a financial institution or bank or debenture holders
4(xii)	Granting of any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
4(xiii)	Chit fund or a nidhi / mutual benefit fund / society
4(xv)	Giving of any guarantee for loans taken by others from a bank or financial institution.
4(xvi)	Applying of term loans
4(xvii)	Use of short term funds raised for long term investment
4(xviii)	Preferential allotment of shares to parties and companies covered under section 301 of the Companies Act, 1956.
4(xix)	Creation of security or charge in respect of debentures issued
4(xx)	Money raised by public issues

- 2 *The Company does not have an internal audit system.*

- 3a. In our opinion and according to the information and explanations given to us, during the year, except for applicability of Income-tax, provisions of other statutes did not apply to the Company, including that of Provident Fund, Employees State Insurance, Investor Education & Protection Fund, Sales-tax, Wealth-tax, Customs duty, Excise duty, Service-tax and Cess. The Company is regular in depositing the dues of Income-tax with the appropriate authority. There are no arrears of outstanding statutory dues as at the last date of the financial year for a period of more than six months from the date they became payable;
- b. According to the information and explanations given to us and as per the records of the Company, there are no cases of non-deposit with the appropriate authorities of the disputed dues of sales-tax / customs duty / wealth-tax / excise duty / service-tax / cess except for income tax of Rs. 2,060,766/- [pending before the Commissioner of Income Tax (Appeals) and the Income-tax Appellate Tribunal].
- 4 The accumulated losses of the Company as at the end of the year are not more than fifty percent of its net worth. The Company has not incurred cash losses during the year but had incurred in the immediately preceding financial year (*without considering the effect of un-quantified qualifications in the audit report*).



- 5 The Company did not deal or trade in shares, securities, debentures and other investments during the year. The investments acquired by the Company have been held in its own name *except as referred to in note 8 of schedule 9.*
- 6 To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.



**For M.A.Parikh & Co.,
Chartered Accountants
Firm Regn. No.: 107556W**

**(Dhaval B Selwadia)
Partner
Membership no. 100023**

Mumbai, dated, 21st June, 2010

Mishapur Investments Limited

Balance sheet as at 31st March, 2010

	Schedule no.	Rupees	As at 31st March, 2009 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	780,000,000	780,000,000
Reserves and surplus	2	462,644,300	462,644,300
Total		1,242,644,300	1,242,644,300
APPLICATION OF FUNDS			
Investments	3	311,905,760	311,905,760
Current assets, loans and advances			
Sundry debtors	4	508,216,894	518,700,769
Cash and bank balances	5	16,782,244	3,225,225
Loans and advances	6	171,938,698	169,916,735
		696,937,836	691,842,729
less, Current liabilities and provisions			
Current liabilities	7	1,301,010	1,259,010
Provisions	7	32,954	11,693
		1,333,964	1,270,703
Net current assets		695,603,872	690,572,026
Profit and Loss account		235,134,668	240,166,514
Total		1,242,644,300	1,242,644,300
Significant accounting policies	8		
Notes on accounts	9		

As per our attached Report of even date

For M.A.PARIKH & CO
Chartered Accountants

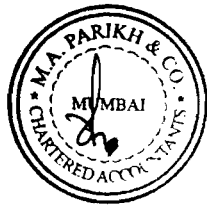



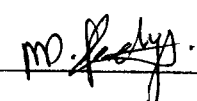
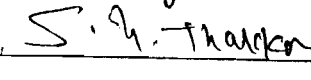
(DHAVAL B. SELWADIA)

Partner

Membership no: 200023

Mumbai, dated, 21st June, 2010



K R J 
M D P 
S U T 

Directors

Mumbai, dated, 21st June, 2010

Mishap Investments Limited

Profit and Loss account for the year ended 31st March, 2010

	Rupees	Previous year Rupees
INCOME		
Dividend income	4,851,780	4,043,150
Interest on Loan (Gross)	87,386	0
Interest on Fixed Deposits (Gross)	91,918	0
Share of profit from partnership firm in which the Company is a partner	893,569	797,371
Total	5,924,653	4,840,521
EXPENDITURE		
Provision for diminution in long-term investments (non-trade)	0	250,000
Provision for doubtful advances	564,000	541,000
Filing fees	5,500	15,500
Bank charges	431	1,937
Legal and professional charges	291,300	661,425
Miscellaneous expenses	1,576	58,869
Total	862,807	1,528,731
Profit before tax	5,061,846	3,311,790
Less: Provision for tax (Refer Note No 9 of Schedule 9)	30,000	0
Profit after taxes	5,031,846	3,311,790
(Short) provision for tax of earlier years	0	(4,300,000)
	5,031,846	(988,210)
Deficit brought forward from previous year	(240,166,514)	(239,178,304)
Deficit carried to Balance sheet	(235,134,668)	(240,166,514)

Earnings per share

(refer note 7 of schedule 9)

- basic - Rs.	0.65	(0.13)
- diluted - Rs.	0.65	(0.13)

As per our attached Report of even date

For M.A.PARIKH & CO
Chartered Accountants



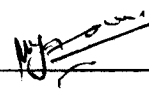
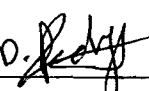
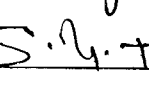
(DHAVAL B. SELWADIA)

Partner

Membership no. 100023

Mumbai, dated, 21st June, 2010



KRS  {
MDP  {
SUT  {

Directors

Mumbai, dated, 21st June, 2010

Mishap Investments Limited

Cash flow statement for the year ended 31st March, 2010

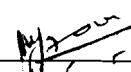
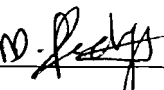
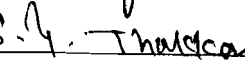
	Rupees	Previous year Rupees
A. Cash flow from operating activities		
Profit/ (loss) for the year	5,061,846	3,311,790
adjustments for,		
Provision for diminution in long-term investments (non-trade)	-	250,000
Provision for doubtful advances	564,000	541,000
Interest on loan	(87,386)	-
Operating profit/ (loss) before working capital changes	5,538,460	4,102,790
Decrease/ (increase) in loans and advances	(2,585,963)	(10,352,983)
Decrease in sundry debtors	10,483,875	5,274,975
(Decrease)/ increase in trade and other payables	42,000	(62,524)
	13,478,372	(1,037,742)
Direct taxes paid	(8,739)	9,799,247
Net cash generated from/ (used in) operating activities	13,469,633	8,761,505
B. Cash flow from investing activities		
Purchase of investments (long-term)	-	(2,999,500)
Interest on loan	87,386	-
Net cash (used in) investing activities	87,386	(2,999,500)
C. Cash flow from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	13,557,019	5,762,005
Cash and cash equivalents at the beginning of the year	3,225,225	3,647,233
Cash and cash equivalents at the end of the year	16,782,244	3,225,225

For M.A.PARIKH & CO
Chartered Accountants



(DHAVAL B. SELWADIA)
Partner



KRS  {
MDP  {
SUT  {

Directors

Membership no: 100023
Mumbai, dated, 21st June, 2010

Mumbai, dated, 21st June, 2010

Mishapur Investments Limited

Schedules forming part of the accounts

As at 31st March, 2009

Schedule 1

SHARE CAPITAL

Authorised

8,500,000 equity shares of Rs. 100/- each

850,000,000

850,000,000

Issued, subscribed and paid up

7,800,000 equity shares of Rs. 100/- each, fully paid-up

780,000,000

780,000,000

Total

780,000,000

780,000,000

Note.

All the above shares are held by Mafatlal Industries Limited, the holding company and its nominees

Schedule 2

RESERVES AND SURPLUS

Share premium

As per last Balance sheet

446,088,500

446,088,500

Statutory reserve

Per last Balance sheet

16,555,800

16,555,800

Total

462,644,300

462,644,300



Mishapur Investments Limited

Schedules forming part of the accounts

As at 31st March, 2009

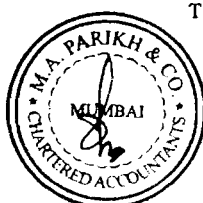
	Rupees	Rupees
Schedule 3		
INVESTMENTS (long term and non-trade)		
1 Quoted (fully paid-up shares)		
8,086,300 equity shares of NOCIL Limited of Rs. 10/- each (Refer Note no 3(a) of Schedule 9)	204,432,780	204,432,780
2 Unquoted (fully paid-up shares)		
<i>subsidiary companies</i>		
50,000 equity shares of Sunanda Industrial Machinery Limited of Rs. 10/- each (#)	500,000	500,000
49,998 equity shares of Sudas Manufacturing and Trading Limited of Rs. 10/- each	499,980	499,980
	<u>999,980</u>	<u>999,980</u>
<i>other companies</i>		
87,500 equity shares of Malibu Kapital Limited of Rs. 10/- each	2,999,500	2,999,500
9,000 equity shares of Mafatlal Limited, UK of £10/- each (*)	4,523,400	4,523,400
537,500 equity shares of Mafatlal Holdings Limited of Rs. 10/- each (#)	19,178,000	19,178,000
1,266,670 equity shares of Ibiza Industries Limited of Rs 10/- each (*)	19,100,050	19,100,050
4,587,500 equity shares of Sushmita Holdings Limited of Rs. 10/- each (#)	78,354,500	78,354,500
400,000 equity shares of Sunanda Industries Limited of Rs. 10/- each (*)	4,000,000	4,000,000
25,000 equity shares of Repal Apparel Private Limited of Rs. 10/- each (*)	250,000	250,000
1,800 equity shares of Myrtle Textiles Private Limited of Rs.10/- each (#)	18,000	18,000
1,800 equity shares of Mayflower Textiles Private Limited of Rs.10/- each (#)	18,000	18,000
90,000 equity shares of Mafatlal Global Private Limited of Rs.10/- each	900,000	900,000
6,250 equity shares of Navdeep Investment Private Limited of Rs.100 each	5,000,000	5,000,000
	<u>134,341,450</u>	<u>134,341,450</u>
less: (*) Provision for dimunition in value	27,873,450	27,873,450
	<u>106,468,000</u>	<u>106,468,000</u>
(#) Refer note 3(b) of Schedule 9		
3 Capital contribution in a partnership firm (Refer Note No 6 of schedule 9) Sumish Associates	5,000	5,000
Total	<u><u>311,905,760</u></u>	<u><u>311,905,760</u></u>
<i>le.</i>		
Aggregate cost of quoted investments	204,432,780	204,432,780
Market value	181,133,120	93,235,039
Aggregate cost of unquoted investments	107,467,980	107,467,980
Schedule 4		
SUNDRY DEBTORS		
(unsecured and considered good)		
(Refer Note No 4(a) & (b) of Schedule 9)		
Debts outstanding for a period exceeding six months	508,216,894	518,700,769
Total	<u><u>508,216,894</u></u>	<u><u>518,700,769</u></u>
<i>Note.</i>		
Dues from a company under the same management - Mafatlal Holdings Limited	388,609,000	397,000,000



Mishapur Investments Limited

Schedules forming part of the accounts

	As at 31st March, 2009	
	Rupees	Rupees
Schedule 5		
CASH AND BANK BALANCES		
Cash in hand	152,424	152,924
(including transfer stamps, Rs. 149,050/-; as at 31st March, 2009, Rs. 149,050/-)		
Balances with scheduled banks in current accounts	16,629,820	3,072,301
Total	16,782,244	3,225,225
Schedule 6		
LOANS AND ADVANCES		
(unsecured)		
Due from a partnership firm in which the Company is a partner	82,149,190	81,255,621
Loans	79,405,000	78,405,000
Advances recoverable in cash or in kind or for value to be received	5,028,875	4,336,481
Tax payment (net of provision for tax)	8,513,533	8,513,533
	175,096,598	172,510,635
less: Provision for doubtful advance/loan	3,157,900	2,593,900
Total	171,938,698	169,916,735
Notes.		
1 Considered good	171,938,698	169,916,735
Considered doubtful	3,157,900	2,593,900
	175,096,598	172,510,635
2 Dues from private limited companies wherein a director of the Company is a director		
- Gayatri Pestichem Manufacturing Private Limited	7,197,626	7,197,626
- Surekha Holdings Private Limited	15,294,955	15,294,955
3 Loans and advances in the nature of loans due from: (Interest free loans with no repayment schedule(s))		
Repal Apparel Private Limited	755,000	755,000
Maximum amount outstanding at any time during the year	755,000	755,000
Sumish Associates (current portion of capital contribution)	82,149,190	81,255,621
Maximum amount outstanding at any time during the year	82,149,190	81,255,621
Gayatri Pestichem Manufacturing Private Limited	7,197,626	7,197,626
Maximum amount outstanding at any time during the year	7,197,626	7,197,626
Surekha Holdings Private Limited	15,294,955	15,294,955
Maximum amount outstanding at any time during the year	15,294,955	15,294,955
Sunanda Industries Limited	2,402,900	1,838,900
Maximum amount outstanding at any time during the year	2,402,900	1,838,900
Vibhadeep Investments & Trading Limited	56,950,000	56,450,000
Maximum amount outstanding at any time during the year	56,950,000	56,450,000
Shripad Associates	-	5,000
Maximum amount outstanding at any time during the year	5,000	5,000
Krishnadeep Housing Development Private Limited	-	500,000
Maximum amount outstanding at any time during the year	500,000	500,000
Mafatlal Global Apparel Ltd	1,700,000	-
Maximum amount outstanding at any time during the year	2,700,000	-
4 Refer Note No 5 of Schedule 9		
Schedule 7		
CURRENT LIABILITIES		
Sundry creditors		
- total outstanding dues to micro and small enterprises (refer note 13 of schedule 9)	-	-
- total outstanding dues to creditors other than micro and small enterprises	1,301,010	1,259,010
	1,301,010	1,259,010
Provisions		
Provision for tax (net of tax payments)	32,954	11,693
Total	1,333,964	1,270,703



Mishapur Investments Limited

Schedules forming part of the accounts

Schedule 8

SIGNIFICANT ACCOUNTING POLICIES

Investments

Long-term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long-term investments.

Revenue recognition

Revenue is recognized on an accrual basis.

Taxes on income

Tax expense comprises both current and deferred tax. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods and are measured at the applicable enacted / substantively enacted rates.

Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

Schedule 9

NOTES ON ACCOUNTS

		As at 31st March, 2009
	Rupees	Rupees
1	Contingent liabilities, in respect of income-tax demands disputed in appeals (these mainly relate to disallowance of expenses of interest). The Company is hopeful of succeeding and as such does not expect any significant liability to crystallize)	10,416,263
		10,416,263
		Rupees
2	Payment to auditors:	Previous year Rupees
	Audit fees	100,000
	Service-tax	11,300
	Total	111,300

3 (a) As at 31st March, 2010, there was a diminution of Rs. 23,299,660/- in the value of the Company's quoted investment considering the market value as at the year end. However, no provision has been made in the accounts for such fall, as the investment is in the nature of a long term strategic investment and the diminution in its value is on account of temporary factors.

(b) The Company holds certain unquoted investments at an aggregate cost of Rs. 98,068,500/- (as at 31st March, 2009: Rs. 98,568,480/-) in companies, whose networth, as per their latest audited financial statements, have been partially/ substantially eroded. However, in view of the fact that these investments are held as strategic long term investments and the diminution in their values being on account of temporary factors, no provision for diminution in the value of these investments is considered necessary.



Mishapar Investments Limited

Schedules forming part of the accounts

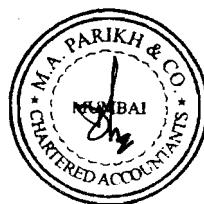
- 4 (a) As at the year end, debt aggregating to Rs. 15,800,000/- (as at 31st March, 2009, Rs. 17,892,875/-), is due from the holding company. Its networth, as per its latest audited Balance sheet, has been completely eroded. However, keeping in view that the holding company's revival steps, including sanction of the Modified Scheme by BIFR and its future business projections as also its involvement in the Company of a strategic and long term nature, no provision is considered necessary, at this juncture.
- (b) Other debt of Rs. 388,609,000/- (as at 31st March, 2009: Rs. 397,000,000 /-) represents amount due from a company whose net worth has been completely eroded as per its latest audited Balance sheet. A substantial part of its assets comprises of strategic long-term investment in NOCIL Limited and contribution in a partnership firm, which holds investments in NOCIL. Further, it has invested in equity shares in various unquoted companies, which are long term strategic investment. Keeping in view that the investment in equity shares of NOCIL/ Other companies is in the nature of long term strategic investment and the diminution in its value is on account of temporary factors, the said debt is considered as good for recovery in view of the underlying value of equity shares of NOCIL/Other companies.
- 5(a) As at the year end, loans given/ advances recoverable, aggregating to Rs. 22,492,581/- (as at 31st March, 2009, Rs. 22,997,581/-), to certain parties whose networth, as per their latest audited Balance sheets, have been partially/ substantially eroded. However, no provision is considered necessary for these dues as the Company's involvement in these companies is of a strategic and long-term nature and irrecoverable amounts, if any, are presently not ascertainable.
- (b) As at the year end, the Company's current portion of capital contribution to a partnership firm, aggregates to Rs. 82,149,190/- (as at 31st March, 2009: Rs. 81,255,621/-). As per the latest audited Balance sheet of this partnership firm, these funds have, prima facie, been used to acquire investments and granting of loans to companies. Investment includes investment of 2,450,000 equity shares of Rs. 29,650,000/- in equity shares of NOCIL Limited, being a strategic long term investment. As per audited accounts of the Firm, loans and other assets are not classified as doubtful for recovery.

6 Investment in partnership firm, Sumish Associates

	As at 31 st March, 2009			
	Capital (Rupees)	% share in profit/ loss	Capital (Rupees)	% share in profit/ loss
Sushmita Holdings Limited	5,000	33.34	5,000	33.34
Mafatlal Holdings Limited	5,000	33.33	5,000	33.33
Mishapar Investments Limited	5,000	33.33	5,000	33.33

7 Earnings per share is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

	Previous year	
Profit/(loss) for the year – Rs.	5,031,846	3,311,790
Short provision for tax in respect of earlier years	0	(4,300,000)
Profit/(loss) attributable to equity shareholders	5,031,846	(988,210)
Weighted average number of equity shares outstanding during the year	7,800,000	7,800,000
Basic/ diluted Earnings per share – Rs.	0.65	(0.13)
Nominal value per share – Rs.	100.00	100.00



Mishapar Investments Limited

Schedules forming part of the accounts

- 8 The following equity shares are not available for physical verification on account of non-receipt of certificates/ non availability of confirmation as at the year end:
- (a) 87,500 (as at 31st March, 2009: 87,500) equity shares of Malibu Kapital Limited of Rs. 10/- each fully paid; [See Note (i)]
 - (b) 9,000 (as at 31st March, 2009: 9,000) equity shares of Mafatlal Limited, U.K of £ 10/- each, fully paid up; and
 - (c) 6250 (as at 31st March, 2009: 6250) equity shares of Navdeep Investment Private Limited of Rs. 100/- each fully paid up [See Note (i) and (ii)]

Notes

- (i) In view of non-availability of audited Balance Sheet of these companies, the Company is not in a position to ascertain whether or not, there is a diminution in value of investments of a permanent nature. However, the Management is of the view that the Company's involvement in these companies is of strategic and long term in nature and therefore, no provision is required to be made for diminution in value, if any, as the same is not of permanent nature.
 - (ii) The Company, in the year ended 31st March, 2009, had subscribed 6250 Equity Shares of Navdeep Investment Private Limited of Rs.100/- each, which were allotted on 8th October, 2008. However, on account of non-availability of information of the date of allotment, the subscription amount was not classified as "Investments" in the said year. In these accounts, the subscription amount has been classified as "Investments" including reclassification thereof in the previous year.
- 9 The provision for tax for the year represents Company's tax liability on its "book profits" computed U/s.115JB of the Income Tax Act, 1961 against which, it is entitled for MAT Credit in terms of Section 115JAA of the Act. However, in absence of certainty of utilisation thereof during the period specified U/s.115JAA of the Act, such entitlement has not been recognized in these accounts.
- 9.1 The Company has deferred tax asset on account of unabsorbed losses, however, keeping in view the nature of income as also as a matter of prudence, it has decided not to recognize such deferred tax asset.



Mishapar Investments Limited

Schedules forming part of the accounts

SCHEDULE 9**Notes on accounts**

10 The Company operates solely in the the business of financial services comprising activities relating to investments, etc and hence segment information is not given.

11 Related party disclosures

a. **Names of the related parties where control exists**

Mafatlal Industries Limited - holding company

b. **Names of related parties and description of relationship where transactions have taken place during the year***Associate*

Sumish Associates

Enterprises over which key management personnel or their relatives are able to exercise significant influence

Mafatlal Global Apparel Ltd

Krishnadeep Housing Development Private Limited

Vibhadeep Investments and Trading Limited

Sunanda Industries Limited

Shripad Associates

Repal Apparel Private Limited

(Amount in rupees)

Nature of transaction	Holding co.	Associate	**	Total
<u>Details of transactions with related parties during the year</u>				
<u>Share of profit in partnership firm</u>				
Sumish Associates		893,569	-	893,569
		797,371	-	797,371
<u>Interest income on loan</u>				
Mafatlal Global Apparel Ltd			87,386	87,386
<u>Loans/ advances given to</u>				
Sunanda Industries Limited			4,264,000	4,264,000
			2,391,000	2,391,000
Mafatlal Global Apparel Ltd			2,700,000	2,700,000
<u>Loans paid to</u>				
Vibhadeep Investments and Trading Limited			500,000	500,000
			7,100,000	7,100,000
Sunanda Industries Limited			3,700,000	3,700,000
			1,850,000	1,850,000
<u>Recovery of advances</u>				
Shripad Associates			5,000	5,000
			-	-
Krishnadeep Housing Development Private Limited			500,000	500,000
			-	-
Mafatlal Global Apparel Ltd			1,000,000	1,000,000
			-	-



(Amount in rupees)

Nature of transaction	Holding co.	Associate	**	Total
Balance due from related parties as at the year end, including those parties with whom no transactions have taken place during the year				
Amounts due from				
Krishnadeep Housing Development Private Limited			- 500,000	- 500,000
Repal Apparel Private Limited			755,000 755,000	755,000 755,000
Surekha Holdings Private Limited			13,600,000 13,600,000	13,600,000 13,600,000
Shripad Associates			- 5,000	- 5,000
Mafatlal Industries Limited	15,800,000 17,892,875			15,800,000 17,892,875
Sumish Associates		82,149,190 8,125,562		82,149,190 8,125,562
Vibhadeep Investments and Trading Limited			160,757,894 160,257,894	160,757,894 160,257,894
Mafatlal Global Apparel Ltd			1,700,000 -	1,700,000 -
Provision for doubtful advances made during the year				
Sunanda Industries Limited			564,000 541,000	564,000 541,000

** Enterprises over which key management personnel or their relatives are able to exercise significant influence

Notes:

- 1 There are no amounts written off or written back during the year in respect of debts due from or to related parties
- 2 Figures in italics are those as at and of the year ended 31st March, 2009



Mishapur Investments Limited

Schedules forming part of the accounts

SCHEDULE 9**Notes on accounts**

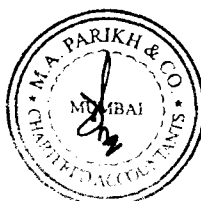
12 Additional information as required in terms of paragraph 9BB of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 (all amounts in Rupees):

LIABILITY SIDE

	As at 31st March, 2010		As at 31st March, 2009	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<i>A Loans and advances availed by the Company inclusive of interest accrued thereon but not paid</i>				
(a) Debentures: secured	-	-	-	-
unsecured	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans	-	-	-	-
(d) Inter-corporate loans and borrowings	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Other loans	-	-	-	-
<i>B Break up of A(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)</i>				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

ASSET SIDE

	Amount outstanding	
	As at 31st March, 2010	As at 31st March, 2009
<i>C Break-up of loans and advances including bills receivable (other than those included in D below)</i>		
Secured	-	-
Unsecured	161,591,771	166,403,202
(net of provision Rs.3,157,900/-; previous year, Rs.2,593,900/-)		
<i>D Break-up of leased assets and stock on hire and hypothecation loans counting towards EL/ HP activities</i>		
(i) <u>Lease assets including lease rentals under sundry debtors</u>		
(a) Finance lease	-	-
(b) Operating lease	-	-
(ii) <u>Stock on hire including hire charges under sundry debtors</u>		
(a) Assets on hire	-	-
(b) Repossessed assets	-	-
(iii) <u>Hypothecation loans counting towards EL/ HP activities</u>		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<i>E Break-up of investments</i>		
<u>Current investments</u>		
1 Quoted	-	-
(a) Shares - Equity	-	-
- Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-
2 Unquoted	-	-
(a) Shares - Equity	-	-
- Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-



Mishap Investments Limited
Schedules forming part of the accounts

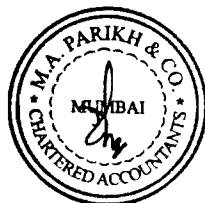
SCHEDULE 9

Notes on accounts

<u>Long term Investments</u>		
1	Quoted	
	(a) Shares - Equity	204,432,780
	- Preference	-
	(b) Debentures and bonds	-
	(c) Units of mutual funds	-
	(d) Government securities	-
	(e) Others	-
2	Unquoted	
	(a) Shares - Equity (net of provision)	107,467,980
	- Preference	-
	(b) Debentures and bonds	-
	(c) Units of mutual funds	-
	(d) Government securities	-
	(e) Others	-
	Investment in a partnership firm	5,000

F Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances

Category	Amount outstanding			
	As at 31st		As at 31st	
	March, 2010	(net of provision)	March, 2009	(net of provision)
	Unsecured		Unsecured	
1	Related Parties			
	(a) Subsidiaries			
	(b) Companies in the same group			
	(c) Other related parties			
2	Other than related parties			
	(net of provision Rs.3,157,900/-; previous year, Rs.2,593,900/-)			
	Total		Total	



Mishapur Investments Limited**Schedules forming part of the accounts****SCHEDULE 9****Notes on accounts**

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

Category	As at 31st March, 2010		As at 31st March, 2009	
	Market value/ Break up value or fair value or NAV	Book value (net of provisions)	Market value/ Break up value or fair value or NAV	Book value (net of provisions)
1 Related Parties				
(a) Subsidiaries	3,941,430	999,980	1,736,499	999,980
(b) Companies in the same group	71,529,618	97,532,500	71,519,178	97,532,500
(c) Other related parties	200,221,445	205,368,780	94,135,039	205,368,780
2 Other than related parties	-	7,999,500	-	7,999,500

Notes.

- (a) (i) The following are not included above as their market value/break up/ fair value/ NAV are not available:

Name	Book value (net of provisions) Rs.	
	As at 31st March, 2010	As at 31st March, 2009
Mafatal Limited, UK	-	-
Malibu Kapital Limited	2,999,500	2,999,500
Repal Apparel Private Limited	-	-
Ibiza Industries Limited	-	-
Navdeep Investment Private Limited	5,000,000	5,000,000

- (ii) In case of investment in subsidiaries, the same are stated based on audited accounts for the year 2009-10 and in case of other investment, based on audited accounts for the year 2008-09.

- (b) In companies where the networth is negative, the break-up value is restricted to zero

H Other information

Particulars	As at 31st March, 2010	As at 31st March, 2009
(I) <u>Gross Non-Performing Assets</u>		
(a) Related parties	-	-
(b) Other than related parties	-	-
(II) <u>Net Non-Performing Assets</u>		
(a) Related parties	-	-
(b) Other than related parties	-	-
(III) Assets acquired in satisfaction of debt(s)	-	-

Note.

There are no stipulations as to repayment of loans and advances or recovery from debtors



Mishap Investments Limited

Schedules forming part of the accounts

13. The Company has not received any intimation from 'suppliers' regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 as also under the MSMED Act, could not be provided.

14. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

signatures to schedules 1 to 9

As per our attached Report of even date

For M.A.PARIKH & CO
Chartered Accountants



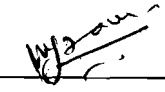
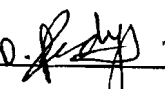
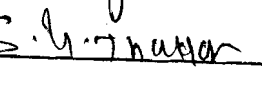
(DHAVAL B. SELWADIA)

Partner

Membership no: 100023

Mumbai, dated, 21st June, 2010



KRS  {
MDP  {
SUT  {

Directors

Mumbai, dated, 21st June, 2010