

# **MAFATLAL SERVICES LIMITED**

**48TH  
ANNUAL REPORT  
2009- 2010**

**BOARD OF DIRECTORS**

SHRI HRISHIKESH A. MAFATLAL

CHAIRMAN

SHRI VISHAD P. MAFATLAL

SHRI RAJENDRA R. LIKHITE

**COMPANY SECRETARY**

SHRI BHAVESH R.PANDYA

**AUDITORS**

MESSERS V.J. AMIN & CO.  
Chartered Accountants

**BANKERS**

UNITED COMMERCIAL BANK

**REGISTERED OFFICE**

Mafatlal House,  
Backbay Reclamation,  
Mumbai 400 020.

48th Annual General Meeting on  
Monday, the 28th of June, 2010  
at 9.30 a.m. in the Board Room,  
Mafatlal House, Backbay Reclamation,  
Mumbai 400 020.

## **DIRECTORS' REPORT**

To,  
THE SHAREHOLDERS OF  
MAFATLAL SERVICES LIMITED

Your Directors have pleasure in submitting their 48th Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2010.

### **1. FINANCIAL HIGHLIGHTS:**

- a) The Company has incurred total expenses of Rs. 18,67,417/- for providing services to participating companies. The Company has neither made any profit nor loss.
- b) The Company has earned excess of income over Expenditure Rs.1,42,971.00 by way of Fixed deposit.
- c) The Company has paid Advance Tax of Rs. 28,000.00 for the Assessment Year 2010-2011.

### **2. PAYMENT OF GRATUITY:**

The company has made payment of Rs. 50,000/- as a contribution towards Employees' Gratuity Fund for the year ended 31st March, 2010.

In respect of the employees who had served the Company and whose services were transferred to other Group Companies, the liability for payment of Gratuity would only arise on the ultimate cessation of employment with the affiliated Companies to whom their services were transferred. The shortfall as is paid and discharged by the Company would be proportionately contributed by those Participating Companies in their respective sharing ratio as on 30th April, 1979.

### **3. LEGAL CASE:**

The litigation which was pending with Standard Industries Ltd. and Shanudeep Private Ltd in the honorable Bombay High Court has been settled during the year.

#### **4. DIRECTOR'S 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 reports 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 ~~performance~~ of the Company for the period 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;

#### **5. PARTICULARS OF EMPLOYEES:**

During the year, no employee was eligible for remuneration in excess of Rs. 24,00,000/- per annum and hence the statement contemplated u/s. 217(2A) of the Companies Act, 1956, has not been annexed.

#### **6. DIRECTORATE:**

Shri Rajendra R.Likhite retires by rotation, but being eligible offers himself for re-appointment on retirement.

#### **7. AUDITORS:**

You are requested to appoint Auditors for the current year and fix their remuneration.

By order of the Board of Directors



CHAIRMAN

Registered Office:  
Mafatlal House,  
Backbay Reclamation,  
Mumbai 400 020.

Mumbai  
Dated :25<sup>th</sup> May,2010

# V. J. AMIN & CO

Chartered Accountants

506, Gayatri Chambers, Nr. Railway Underbridge, R. C. Dutt Road, Alkapuri, Vadodara-390 007.

Telefax : (0265)2343498 E-mail : v.j.amin@hotmail.com

**DHARAMSINH KESHARANI**  
B.Com, Hon., LL.B. Sp., F.C.A.

**YOGESH KESHARIYA**  
M.Com, F.C.A., DISA (ICA)

**VIPUL DALAL**  
B.Com, F.C.A.

## MAFATAL SERVICES LIMITED

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of 'MAFATAL SERVICES LIMITED' as at 31st March, 2010 together with the Income and Expenditure Account of the Company for the year ended on that date annexed there to. 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.

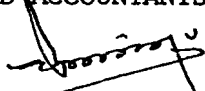
We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test check basis, 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.

1. As required by the Companies (Auditors' Report) Order 2003 (as amended) 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 matter specified in paragraph 4 & 5 of the said order except matters specified in Para 4 A(i), II, IV, V, VIII and (xi) to (xx), in our opinion being not applicable are not covered under the report.
2. Further to our comments in the Annexure referred to in above Paragraph, we report that :-
  - (a) We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.



- (c) The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the Books of Account.
- (d) In our opinion the Income and Expenditure Account and Balance sheet comply with the Accounting Standard referred in sub section (3) (c) of Section 211 of the Companies Act, 1956.
- (e) Directors of the Company do not, prima facie, have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of Companies Act, 1956 as on 31.3.10 which is based on representation received from them.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with 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 accounting principles generally accepted in India :
- (i) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2010 and
- (ii) In the case of the Income and Expenditure account of the surplus for the year ended on that date.

FOR V. J. AMIN & CO,  
CHARTERED ACCOUNTANTS

  
(D. T. KESHRAANI)  
PARTNER.

PLACE : MUMBAI.  
DATED : 25/05/2010



ANNEXURE TO THE AUDITORS' REPORT OF MAFATLAL SERVICES LIMITED

Referred to in Paragraph 1 of our Report of even date.

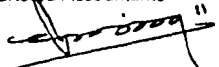
1. The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other Parties listed in the Register maintained under Section 301 of the Companies Act, 1956, and hence clause (iii)(b) to (iii)(g) of the order are not applicable.
2. The Company has not accepted any deposit from public.
3. In our opinion, the Company has a internal audit system commensurate with the size and nature of its business.
4. According to the records of the Company, the Company is regular in depositing with appropriate authority, undisputed statutory dues including Provident Fund, Investor education & protection fund, E.S.I., Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues wherever applicable. There are no undisputed arrears of statutory dues as at 31.3.2010 for a period of more than six months from the date they became payable. Disputed cases are not pending with any forum.
5. The Company has not incurred any cash losses during the year and its accumulated losses exceeds 50 % of Net Worth.
6. As per the information & explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE : MUMBAI.  
DATED : 25/05/2010

For V. J. AMIN & CO.  
CHARTERED ACCOUNTANTS.

  
(D. T. KERSARANI)  
PARTNER



LIABILITIES	AS ON 31.03.2009 RUPEES			ASSETS	AS ON 31.3.2009 RUPEES		
	RUPEES	RUPEES	RUPEES		RUPEES	RUPEES	RUPEES
SHARE CAPITAL :				CURRENT ASSETS, LOANS AND ADVANCES :			
AUTHORISED :				(i) Sundry Debtors(Unsecured and considered Good)			
3,50,000 Equity Shares of Rs. 100/- each		<u>35,000,000</u>	<u>35,000,000</u>	Outstanding for more than six months	3,319,725		4,458,617
ISSUED AND SUBSCRIBED :				Other debts	<u>320,143</u>		<u>489,771</u>
3,10,000 Equity Shares of Rs. 100/- each fully paid.		31,000,000	31,000,000			3,639,868	4,948,388
RESERVES AND SURPLUS :				(ii) Cash and Bank Balance :			
As per last Balance Sheet	-	-	-	(a) Cash on hand	2,731		1,226
Transfer to Income & Exp.A/c	-	-	-	(b) with Scheduled Bank in Current Account	<u>266,757</u>		<u>157,362</u>
CURRENT LIABILITIES & PROVISIONS :						269,488	158,588
A. CURRENT LIABILITIES :							3,909,356
(i) Sundry Creditors				B: Loans and Advances:			
(including Income-Tax Refund of Rs. 4,41,067/-) refundable to Constituent Members (Previous year Rs. 2,67,227/-)	3,526,460		3,463,121	Advances recoverable in cash or in kind or for value to be received		23,943	23,943
(ii) Sundry Deposits from Constituent Members.	150,000		150,000	Advance Income Tax		87,928	45,600
(iii) Tax deducted at Source (by Constituent Members)	0		0	Sundry Deposits		150,000	150,000
(iv) Income for the year as per Income & Expenditure A/c	<u>142,971</u>		<u>140,357</u>	8% FDR UCO bank ( 12 months )		1,100,000	0
		3,819,431	3,753,478	'9% FDR Uco Bank (36 Monts)		1,400,000	1,400,000
				'Accrued Intrest		273,123	151,878
				Loss as per Income & Expenditure account		<u>27,875,081</u>	<u>27,875,081</u>
							30,910,075
							<u>29,646,502</u>
<b>TOTAL</b>		<u>34,819,431</u>	<u>34,753,478</u>	<b>TOTAL</b>			<u>34,819,431</u>
							<u>34,753,478</u>
For Notes see Schedule 'A' attached				In the Opinion of the Board, the Current Assets, Loans & Advances are approximately of the Values stated, if realised in the ordinary course of business.			
As per our				CHAIRMAN :			
For V.J. AMIN & CO. Chartered Accountants				DIRECTORS :			
				SECRETARY :			
D.T. KESHARANI PARTNER							
Mumbai, Dated: 25th May,2010				Mumbai, Dated: 25th May,2010			



MAFATAL SERVICES LIMITED  
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

EXPENDITURE	PREVIOUS YEAR		INCOME	PREVIOUS YEAR	
	RUPEES	RUPEES		RUPEES	RUPEES
To Salaries & Bonus	992,831	838,150	By Recovery of Expenses incurred	1,867,417	1,537,292
To Contribution to Provident Fund & Superannuation Fund & Pension Fund	209,553	159,168	By interest	142,971	140,357
To Contribution to Gratuity Fund	50,000	50,000			
To Staff Welfare Expenses	169,004	118,209			
To Medical Expenses	43,900	39,907			
To Office & other Maintenance & CLE Charges	11,700	5,500			
To Insurance	83	84			
To Rates & Taxes	2,550	2,550			
To Postage & Telephone	16,216	20,673			
To Stationary & Printing	8,288	15,074			
To Conveyance	93,232	69,178			
To Motor Car Expenses	23,961	24,010			
To Legal & Professional Expenses	130,330	80,248			
To Books Periodicals & Subscription	15,387	27,591			
To General Expenses	33,437	49,848			
To Payment to Auditors:					
As Auditors	6,750	6,750			
To Bank Commission	940	915			
To Advance Tax Asse Year 2008-2009 & 2009-2010	16,000	13,993			
To Computer Software	43,255	15,444			
To Exces of Income over Expenses	142,971	140,357			
<b>TOTAL</b>	<b>2,010,388</b>	<b>1,677,649</b>	<b>TOTAL</b>	<b>2,010,388</b>	<b>1,677,649</b>

Income & Expenditure Account  
for the year ended 31st March 2009(Contd)

To Loss for the year brought down	-	-	To Loss carried to Balance Sheet	-	-
To Income carried to balance sheet	142971	140357	To Exces of Income over Expenses	142,971	140,357

For Notes See Schedule 'A' Attached  
as per our Report of even date attached

For V.J. AMIN & CO.  
CHATERED ACCOUNTANTS

D.T. KESHARANI  
PARTNER

Mumbai,  
Dated: 25th May, 2010

CHAIRMAN

DIRECTORS

SECRETARY

Mumbai,  
Dated: 25th May, 2010



**MAFATLAL SERVICES LIMITED**

**SCHEDULE - A**

**NOTES & SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF  
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.**

**1. SIGNIFICANT ACCOUNTING POLICIES :**

a. The Company accounts are prepared under the historical convention and on the basis of going concern.

b. Employees/Retirement Benefits

(i) Company's Contributions to Provident Fund, Superannuation Fund and other Funds for the year are charged to Income & Expenditure Accounts.

(ii) Gratuity :-

Gratuity Liability in respect of employees covered under Gratuity Act, 1972 is worked out by management on accrual basis.

**NOTES :**

2. Liability for taxation, if any, will be accounted on completion of the assessment and the same will be recovered from Participating Units.

3. Some of the employees of the Company had been transferred to the other Companies. The Gratuity Liability in respect of such employees was contributed by the Company to the Gratuity Fund. Any shortfall arising on the payment thereof would be accounted on Cash Basis in the year of payment.

As per our attached Report of even date




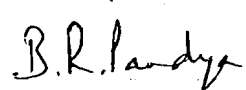
For V.J. AMIN & CO.  
Chartered Accountants.

  
D.T. KESHARANI  
PARTNER

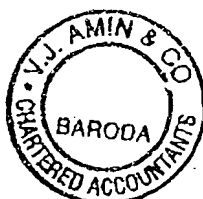
CHAIRMAN :

DIRECTORS :

SECRETARY :

Mumbai,  
Dated :25<sup>th</sup> May, 2010



MAFATLAL SERVICES LIMITED 48TH ANNUAL REPORT  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956.

<b>I REGISTRATION DETAILS</b>	
Registration No.	12314
State Code	11
Balance Sheet Date	31st March, 2010
<b>II CAPITAL RAISED DURING THE YEAR</b> (Amount in Rs. Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
Total Liabilities	31000
Total Assets	31000
<b>SOURCES OF FUNDS</b>	
Paid-up Capital	31000
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	NIL
<b>APPLICATION OF FUNDS</b>	
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	31000
Misc. Expenditure	NIL
Accumulated Losses	NIL
<b>IV PERFORMANCE OF COMPANY</b> (Amount in Rs. Thousands)	
TURNOVER (Expense Recovery)	1867
Total Expenditure	1867
+ - Profit/Loss before Tax	N.A.
+ - Profit/Loss after Tax	N.A.
Earning per Share in Rs.(No Profit/loss Co.)	N.A.
Dividend Rate %	0
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b> (as per monetary terms)	
Item Code No.(ITC Code)	N.A.
Product Description (Service Company)	
Item Code No.(ITC Code)	N.A.
Product Description	
Item Code No.(ITC Code)	N.A.
Product Description	

CHAIRMAN :

DIRECTOR :

SECRETARY :

*(Signature)*  
*(Signature)*  
*(Signature)*

Mumbai,  
Dated: 25th May, 2010

