

MAFATLAL INDUSTRIES LIMITED
Regd. Office: Asarwa Road, Ahmedabad - 380 016

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE
 QUARTER ENDED 31ST AUGUST, 2010**

(RS IN LACS)

PARTICULARS	Quarter ended 31-Aug-10 (Unaudited) (1)	Previous accounting period ended 31-May-10 (Audited) (2)
1 a Net sales/ income from operations	3,088.97	13,238.20
b Other Operating Income	782.80	4,135.90
Total income (1 a + 1 b)	3,871.77	17,374.10
2 Expenditure		
(a) (Increase) / Decrease in stock-in-trade and work-in-progress	(50.69)	117.26
(b) Consumption of raw materials	783.38	3,210.84
(c) Purchase of traded goods	117.56	927.17
(d) Stores and Spare Parts consumed	489.94	1,827.86
(e) Employees cost	1,106.60	4,846.46
(f) Power and fuel	1,290.61	5,739.86
(g) Depreciation	76.28	332.51
(h) Provision for Diminution in value of investments	-	4,001.88
(i) Bad debts written off (net)	-	84.02
(j) Other expenditure	592.50	2,993.16
Total	4,406.18	24,081.02
3 (Loss) from Operations before Other Income, Interest & Exceptional Items (1 - 2)	(534.41)	(6,706.92)
4 Other Income	7.29	7,132.46
5 (Loss)/ Profit before Interest & Exceptional items (3 + 4)	(527.12)	425.54
6 Interest (net)	37.06	458.23
7 (Loss)/ Profit after interest but before Exceptional items (5 - 6)	(564.18)	(32.69)
8 Exceptional items	82.72	6,307.13
9 (Loss)/ Profit from ordinary activities before tax (7 + 8)	(481.46)	6,274.44
10 Tax expense		
(a) Provision for Current tax	-	1,100.00
(b) Provision for Wealth tax	-	0.25
11 Net (loss)/ profit after tax from ordinary activities for the period (9 - 10)	(481.46)	5,174.19
12 Excess/Short provision of Tax of earlier year	-	2.11
	(481.46)	5,176.30
13 Paid-up equity share capital (face value of Rs. 10/- per share)	981.39	981.39
14 Reserves excluding revaluation reserve as per Balance sheet of the previous accounting period (after adjusting debit balance in Profit and Loss account, Rs.26,101.73 lakhs)		(3,324.05)
15 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)	(4.91)	71.16
16 Public shareholding		
- Number of shares	3,362,771	3,362,771
- Percentage of shareholding	34.27%	34.27%
17 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	6,451,089	6,451,089
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)	65.73%	65.73%

NOTES:

1. Based on the Audited Accounts as on 31st May 2010, wherein net worth of the Company has turned positive, Company made an application to the Board of Industrial & Financial Reconstruction (BIFR), for deregistration of its reference. BIFR vide its order dated 19th August, 2010 discharged the Company from the purview of Sick Industrial Companies Act /BIFR. Accumulated loss of the Company has also substantially reduced over a period of last 2 years. Accordingly, accounts are prepared on going concern basis.
2. Since the last financial year of the Company was for the 14 months ended 31st May 2010, the Unaudited Financial Results for the current quarter is for the period from 1st June 2010 to 31st August 2010.

Prior to taking decision to extend the accounting year from year ended 31st March 2010 to 14 months period ended 31st May 2010; the Company had published its unaudited financial results for quarters ended 30th June 2009, 30th September 2009, 31st December 2009 and 31st March 2010 as required under Clause 41 of the Listing Agreements with the Stock Exchanges.

In view of the above; for the current quarter, figures for the previous corresponding period ended 31st August 2009 are not available and hence the same have not been furnished.

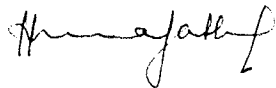
3. The qualifications of the auditors on the financial statements for the previous accounting period ended 31st May 2010 / limited review for the quarter ended 31st August 2010 and the management's comments thereon (in brackets) are as follows:
 - a. regarding, non-accounting of rent/ recovery of expenses from certain tenants/ ex-tenants, of Rs.173.93 lakhs upto 31st May, 2010, Rs.174.66 lakhs upto 31st August, 2010. (This has been done on legal advice).

The impact of the quantifiable qualifications, viz.3.a, is that the loss before tax for the quarter ended 31st August, 2010 would have been Rs.306.80 lakhs.

4. As reported earlier, 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 lakhs. 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. The parties have time and again mutually agreed to extend the period of Conducting Agreement. The present extended period has ended on 30th June, 2010 and further extension is under negotiations. In the meanwhile, APPL continues to operate the unit as hitherto.
5. In terms of the MS, certain identified flats were sold during the quarter through Asset Sale Committee appointed by BIFR, resulting in Profit of Rs.82.72 lakhs (Previous period Rs.6307.13 lakhs) which is shown as exceptional item.
6. There were no complaints from investors pending at the beginning of the quarter. The Company did not receive any complaints during the quarter and consequently there is no complaint pending at the end of 31st August, 2010.

7. The Company operates solely in the textile business segment.
8. Previous period's figures have been regrouped, wherever necessary, to correspond with those of the current period.
9. The above results have been reviewed by the Audit Committee on 24th September, 2010 and approved by the Board of Directors at its meeting held on 24th September, 2010. The same have been subjected to Limited Review by the Statutory Auditors.

For **MAFATLAL INDUSTRIES LIMITED**



H. A. MAFATLAL
VICE CHAIRMAN

Mumbai dated, 24th September, 2010