

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER AND TWELVE MONTHS ENDED 31ST MAY, 2011**

(RS IN LAKHS)

PARTICULARS	Quarter ended 31-May-2011 (Unaudited) (1)	Year to Date figures for current Twelve months ended 31-May-2011 (Unaudited) (2)	Previous accounting period ended 31-May-2010 (Audited) (3)
1 a Net sales/ income from operations	5,613.92	15,532.86	13,238.20
b Other Operating Income	743.61	3,154.02	4,135.90
Total income (1 a + 1 b)	6,357.53	18,686.88	17,374.10
2 Expenditure			
(a) (Increase) / Decrease in stock-in-trade and work-in-progress	(684.59)	(804.48)	117.26
(b) Consumption of raw materials	1,717.87	4,962.67	3,210.84
(c) Purchase of traded goods	1,951.02	2,264.45	927.17
(d) Stores and Spare Parts consumed	512.63	1,951.35	1,827.86
(e) Employees cost	1,281.82	4,757.30	4,846.46
(f) Power and fuel	1,281.35	5,107.16	5,739.86
(g) Depreciation	55.54	226.57	332.51
(h) Provision for Diminution in value of investments	-	-	4,001.88
(i) Bad debts written off (net)	-	-	84.02
(j) Other expenditure	905.72	3,015.61	2,993.16
Total	7,021.36	21,480.63	24,081.02
3 (Loss) from Operations before Other Income, Interest & Exceptional Items (1 - 2)	(663.83)	(2,793.75)	(6,706.92)
4 Other Income	9.03	791.90	7,132.46
5 (Loss)/ Profit before Interest & Exceptional items (3 + 4)	(654.80)	(2,001.85)	425.54
6 Interest (net)	25.90	514.42	458.23
7 (Loss)/ Profit after Interest but before Exceptional items (5 - 6)	(680.70)	(2,516.27)	(32.69)
8 Exceptional items - Income (Net)	-	717.94	6,307.13
9 (Loss)/ Profit from ordinary activities before tax (7 + 8)	(680.70)	(1,798.33)	6,274.44
10 Tax expense			
(a) Provision for Current tax	-	450.00	1,100.00
(b) Provision for Wealth tax	0.25	0.25	0.25
11 Net (loss)/ profit after tax from ordinary activities for the period (9 - 10)	(680.95)	(2,248.58)	5,174.19
12 Excess provision of Tax of earlier year	16.15	16.15	2.11
	(664.80)	(2,232.43)	5,176.30
13 Paid-up equity share capital (face value of Rs. 10/- per share)	981.39	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)	(6.77)	(22.75)	71.16
16 Public shareholding - Number of shares - Percentage of shareholding	3,387,980 34.52%	3,387,980 34.52%	3,362,771 34.27%
17 Promoters and promoter group Shareholding			
a) Pledged/ Encumbered			
Number of shares	NIL	NIL	NIL
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL
Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL
b) Non-encumbered			
Number of shares	6,425,880	6,425,880	6,451,089
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
Percentage of shares (as a % of the total share capital of the company)	65.48%	65.48%	65.73%

1. **The Company has concluded an agreement with Gliders Buildcon LLP, an entity of Ajay Piramal Group on 17th June, 2011, for development of Leasehold land at its Mazgaon unit, admeasuring about 30,910 sq meters for a lump sum consideration of Rs.60,580.00 lakhs.**
2. 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; further the company subsequent to the quarter ended 31st May, 2011 has concluded an agreement for development of leasehold land at its Mazgaon Unit, (Refer note 1 above). Accordingly, accounts are prepared on going concern basis.
- 3(a) The Company in its Board Meeting held on 9th May, 2011, had extended the Financial Year 2010-11 of the Company by three months from ending on 31st May, 2011 to ending on 31st August, 2011. The Board of Directors of the Company have now passed a resolution on 27th June, 2011, for change of Financial Year 2010-2011 to end on 30th June, 2011 instead of 31st August, 2011. In view of this, the Financial Year of the Company would be for 13 months period i.e. from 1st June, 2010 to 30th June, 2011 in modification of the Resolution passed on 9th May, 2011.
- (b) 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 are for the period from 1st March, 2011 to 31st May, 2011 and for the twelve months period from 1st June, 2010 to 31st May, 2011.

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 and for the twelve months ended 31st May, 2010, figures for the respective previous corresponding periods ended 31st May, 2011 are not available and hence the same have not been furnished.

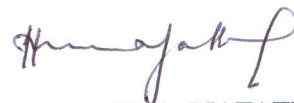
4. The qualification of the auditor on the financial statements for the previous accounting period ended 31st May, 2010/in the limited review for the quarter ended 31st May, 2011 and the management's comments thereon (in brackets) are as follows:
 - a. regarding, non-accounting of rent/recovery of expenses from certain tenants/ex-tenants, of Rs.173.93 lakhs upto 31st May, 2010, Rs.178.29 lakhs upto 31st May, 2011. (This has been done on the basis of legal advice received).

The impact of the quantifiable qualification, viz.4.a, is that the Loss for the quarter ended 31st May, 2011 would have been Rs.486.51 lakhs and the loss for the twelve months ended 31st May, 2011 would have been Rs.2,054.14 lakhs.

5. Exceptional items of Rs.717.94 lakhs for the twelve months (Previous Period Rs.6,307.13 lakhs) includes Profit on sale of flats and sale of Ahmedabad Unit of the Company.
6. There were no complaints from investors pending at the beginning of the quarter. The Company received 2 complaints and resolved 2 complaints during the quarter and consequently there is no complaint pending at the end of 31st May, 2011.
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 27th June, 2011 and approved by the Board of Directors at its meeting held on 27th June, 2011. The same have been subjected to Limited Review by the Statutory Auditors.

For **MAFATLAL INDUSTRIES LIMITED**



H. A. MAFATLAL
CHAIRMAN

Mumbai dated, 27th June, 2011