

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

PART I

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

(RS IN LACS)

PARTICULARS	Standalone				Consolidated			
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited	
	Refer Note 4b 3 months ended 31/03/2014 (1)	3 months ended 31/12/2013 (2)	Refer Note 4b 3 months ended 31/03/2013 (3)	Current year ended 31/03/2014 (12 months) (4)	Previous year ended 31/03/2013 (12 months) (5)	Current year ended 31/03/2014 (12 months) (6)	Previous year ended 31/03/2013 (12 months) (7)	
1 Income from operations								
a Net sales/ income from operations (Net of excise duty)	21,327.89	19,158.28	41,231.34	89,725.95	77,408.31	89,932.11	77,408.31	
b Other Operating Income	603.92	567.04	802.70	2,046.68	2,340.76	2,046.68	2,340.76	
Total income from operations	21,931.81	19,725.32	42,034.04	91,772.63	79,749.07	91,978.79	79,749.07	
2 Expenses								
(a) Cost of materials consumed	6,820.33	6,693.62	15,636.27	26,489.88	20,269.64	26,489.88	20,269.64	
(b) Purchases of stock-in-trade	5,893.53	5,765.04	7,875.06	33,611.11	29,567.17	33,778.95	29,567.17	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	521.34	(890.41)	(2,237.64)	(2,668.17)	(2,571.68)	(2,668.59)	(2,571.68)	
(d) Employee benefits expense (Net)	2,039.11	2,195.29	3,480.83	8,105.70	7,486.12	8,170.22	7,500.09	
(e) Depreciation and amortization	560.62	495.76	1,254.21	1,834.60	1,444.05	1,835.72	1,444.05	
(f) Stores and spare parts consumed	2,281.11	2,210.40	5,144.55	8,581.45	7,135.73	8,581.45	7,135.73	
(g) Power and fuel	1,868.03	1,813.73	3,828.16	7,264.01	7,071.36	7,264.01	7,071.37	
(h) Other expenditure	1,759.18	1,706.70	2,875.40	7,554.69	6,080.74	7,548.41	6,079.19	
Total expenses	21,743.25	19,990.13	37,856.84	90,773.27	76,483.13	91,000.05	76,495.56	
3 Profit from Operations before other income, finance costs and exceptional items (1 - 2)	188.56	(264.81)	4,177.20	999.36	3,265.94	978.74	3,253.51	
4 Other Income	501.23	317.01	2,413.89	1,776.49	4,289.06	1,780.04	4,303.46	
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	689.79	52.20	6,591.09	2,775.85	7,555.00	2,758.78	7,556.97	
6 Finance costs (Net)	468.78	381.57	3,025.08	1,489.45	3,199.92	1,489.45	3,199.92	
7 Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	221.01	(329.37)	3,566.01	1,286.40	4,355.08	1,269.33	4,357.05	
8 Exceptional items								
(a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.	-	-	3,931.71	-	3,931.71	-	3,931.71	
Less: Adjusted from Securities Premium Account (Refer Note No. 3)	-	-	(3,931.71)	-	(3,931.71)	-	(3,931.71)	
(b) Other Exceptional items	-	-	(292.65)	736.77	697.74	736.77	697.74	
9 Profit/ (Loss) from ordinary activities before tax (7 + 8)	221.01	(329.37)	3,273.36	2,023.17	5,052.82	2,006.10	5,054.79	
10 Tax (expense) / benefit :								
(a) Current tax expense	(13.00)	76.00	(465.00)	(356.00)	(625.00)	(356.00)	(625.02)	
(b) Less: MAT credit	201.00	55.00	-	356.00	-	356.00	-	
(c) (Short)/ Excess provision for tax relating to prior years	200.44	-	(86.89)	200.21	(86.89)	200.21	(86.89)	
(d) Net Current tax (expense) - (a+b+c)	388.44	131.00	(551.89)	200.21	(911.89)	200.21	(911.91)	
(e) Deferred tax	217.00	(21.00)	(425.00)	170.00	(425.00)	170.00	(425.00)	
10 Net tax (expense)/ benefit (d+e)	605.44	110.00	(976.89)	370.21	(1,336.89)	370.21	(1,336.91)	
11 Net Profit / (Loss) after tax before share of profit/(loss) of associates and minority interest (9+10)	826.45	(219.37)	2,296.47	2,393.38	3,715.93	2,376.31	3,717.88	
12 Share of (loss) of Associate						(124.00)	-	
13 Minority interest						-	-	
14 Profit / (Loss) after share of losses in associates (net)						2,252.31	3,717.88	
15 Paid-up equity share capital (Face value of Rs. 10/- per share)	1,391.29	1,391.29	981.35	1,391.29	981.35	1,391.29	981.35	
16 Reserves excluding revaluation reserve as per Balance sheet of previous accounting year				33,330.28	31,425.23	33,220.93	31,458.80	
17 Earnings per share (EPS) (Face value of Rs.10/- each) (not annualized)								
a Basic and diluted EPS before extraordinary items	5.94	(1.58)	16.51	17.20	26.71	16.19	26.72	
b Basic and diluted EPS after extraordinary items	5.94	(1.58)	16.51	17.20	26.71	16.19	26.72	
PART II SELECT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014								
A PARTICULARS OF SHAREHOLDING								
1 Public shareholding								
- Number of shares	3,492,931	3,492,931	3,492,982	3,492,931	3,492,982	3,492,931	3,492,982	
- Percentage of shareholding	25.11%	25.11%	35.59%	25.11%	35.59%	25.11%	35.59%	
2 Promoters and Promoter Group Shareholding								
a) Pledged/ Encumbered								
- Number of shares	4,099,414	NIL	NIL	4,099,414	NIL	4,099,414	NIL	
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	39.34%	NIL	NIL	39.34%	NIL	39.34%	NIL	
Percentage of shares (as a % of the total share capital of the company)	29.48%	NIL	NIL	29.46%	NIL	29.46%	NIL	
b) Non-encumbered								
- Number of shares	6,320,541	10,419,955	6,320,878	6,320,541	6,320,878	6,320,541	6,320,878	
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	60.66%	100.00%	100.00%	60.66%	100.00%	60.66%	100.00%	
Percentage of shares (as a % of the total share capital of the company)	45.43%	74.89%	64.41%	45.43%	64.41%	45.43%	64.41%	
PARTICULARS	3 months ended							
B INVESTOR COMPLAINTS	31/03/2014							
Pending at the beginning of the quarter	NIL							
Received during the quarter	3							
Disposed of during the quarter	3							
Remaining unresolved at the end of the quarter	NIL							

NOTES TO THE ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

(RS IN LACS)

1 Standalone and Consolidated Statement of Assets and Liabilities

Particulars	Standalone		Consolidated	
	As at 31/03/2014	As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
	Audited	Audited	Audited	Audited
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	1,391.22	4,391.22	1,391.22	4,391.22
(b) Reserves and surplus	33,330.28	31,425.23	33,220.93	31,458.80
Sub-total - Shareholders' funds	34,721.50	35,816.45	34,612.15	35,850.02
2 Minority interest	-	-	-	-
3 Non-current liabilities				
(a) Long-term borrowings	3,846.29	5,303.04	3,847.79	5,306.94
(b) Deferred tax liabilities (Net)	255.00	425.00	255.00	425.00
(c) Other Long term liabilities	262.28	207.51	262.28	207.51
(d) Long-term provisions	939.38	1,105.19	951.15	1,116.16
Sub-total - Non-current liabilities	5,302.95	7,040.74	5,316.22	7,055.61
4 Current liabilities				
(a) Short-term borrowings	6,725.52	3,694.00	6,725.52	3,694.00
(b) Trade payables	12,797.99	10,142.62	12,861.36	10,139.48
(c) Other current liabilities	4,416.57	4,730.79	4,417.64	4,757.88
(d) Short-term provisions	1,557.05	1,795.24	1,557.05	1,795.26
Sub-total - Current liabilities	25,497.13	20,362.65	25,561.57	20,386.62
TOTAL - EQUITY AND LIABILITIES	65,521.58	63,219.84	65,489.94	63,292.25
B ASSETS				
1 Non-current assets				
(a) Tangible assets	15,703.82	9,309.59	15,706.99	9,309.63
(b) Intangible assets	110.32	8.08	110.32	8.08
(c) Capital work in Progress	1,459.51	6,248.53	1,459.51	6,248.53
(d) Intangible assets under development	-	81.84	-	81.84
(e) Non-current investments	4,865.37	4,871.58	4,718.63	4,849.05
(f) Long-term loans and advances	4,254.39	4,173.34	4,257.54	4,175.53
(g) Other non current assets	603.95	69.34	603.95	69.34
Sub-total - Non-current assets	26,997.36	24,762.30	26,856.94	24,742.00
2 Current assets				
(a) Inventories	12,369.43	10,663.20	12,369.85	10,663.20
(b) Trade receivables	13,854.90	12,216.63	13,939.62	12,250.89
(c) Cash and cash equivalents	10,182.24	14,140.27	10,199.20	14,187.35
(d) Short-term loans and advances	1,686.21	1,298.55	1,692.89	1,309.92
(e) Other current assets	431.44	138.89	431.44	138.89
Sub-total - Current assets	38,524.22	38,457.54	38,633.00	38,550.25
TOTAL - ASSETS	65,521.58	63,219.84	65,489.94	63,292.25

2. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May 2014.
3. As per the Scheme of Amalgamation and Arrangement ("the Scheme"), Mishapar Investments Limited (Mishapar) a wholly owned subsidiary of the Company and Mafatlal Denim Limited (MDL) had been amalgamated with the Company from the appointed date of 1st April 2012. The Scheme had been sanctioned by the Hon'ble High Court of Judicature at Bombay and the Hon'ble High Court of Gujarat at Ahmedabad vide their Orders dated 8th April 2013 and 26th April 2013 respectively. The said Scheme has become effective from 28th May, 2013. The details are given in the Note no.30.3 of the Financial Statement for the year ended 31st March 2014.
4. a. The figures of the previous year have been regrouped, wherever necessary. However, despite the regrouping, the figures of the current quarter ended 31st March, 2014 and the previous corresponding quarter ended 31st March, 2013 are not comparable as impact of whole of the scheme of amalgamation referred to in Note no.3 above, had been given effect to in the quarter ended 31st March 2013.

b. Figures for the quarter ended 31st March 2014 and 31st March 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
5. The Board of Directors have recommended a dividend of Rs.3/- per share @ 30% on 13,912,886 equity shares of face value of Rs. 10/- each for the year ended on 31st March, 2014.
6. During the current quarter, Mayflower Textiles Private Limited, Myrtle Textiles Private Limited and Repal Apparel Private Limited ceased to be subsidiaries of the Company.
7. Details of Qualifications and the impact on the profit and loss on the published annual results of the Company:
 - (a) The appointment and remuneration of Rs.281.85 lacs by erstwhile Mafatlal Denim Limited (MDL) to its managerial personnel was subject to the approval of the Central Government. MDL had filed an application for reconsideration when the default to the secured lender no longer existed. The Company on 26th June, 2013 has received the approval from the Central Government for payment of remuneration to the above managerial personnel thus resolving the matter.
 - (b) As legally advised, the Company has not recognized as income recovery of rent and other charges of Rs.83.61 lacs upto 31st March, 2014 (Rs.186.29 lacs upto 31st March, 2013), pending final resolution of the legal dispute with certain tenants/ex-tenants of a property in South Mumbai. The Civil Revision Applications filed by the ex-tenants has been admitted by the Hon'ble Bombay High Court and the ex-tenants have deposited Rs.1,233.47 lacs (amount decreed by the learned trial judge alongwith interest awarded by the appeal bench of the Small Causes Court) as directed by the Hon'ble High Court while granting stay on the order issued by the Appeal Bench of the Hon'ble Small Causes Court. The Company has withdrawn the said amount of Rs.1,233.47 lacs by providing undertakings as directed by the Hon'ble High Court to repay the amount, if the ex-tenants succeed in the civil revision applications which are pending for final disposals. Out of the said amount, Rs.655.58 lacs has been paid to Sulakshana Securities Limited, in whom one of the premises was vested under the Company's rehabilitation scheme which was approved by BIFR, during the pendency of the said litigation. Had the Company accounted for the income recovery of rent and other charges the net profit for the year would have been Rs.2,493.80 lacs against profit of Rs.2,410.19 lacs.

The auditors have qualified the non-accrual of rent/recovery of expenses/interest in their report for all the periods presented.
8. The remuneration of Shri V. P. Mafatlal, Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer (Professional Director) was approved by the members by way of a special resolution passed at the Annual General Meeting ('AGM') held on 31st July, 2013. Due to inadequate profits during the current year, the total managerial remuneration of Rs. 232.07 lacs (Shri V. P. Mafatlal – Rs. 114.79 lacs and Shri Rajiv Dayal – Rs. 117.28 lacs) paid to the above executive directors is in excess of the limits specified under Section 198, 349 & 350 of the Companies Act, 1956 by Rs. 78.61 lacs. As required by law, necessary application will be made to the Central Government in this regard.

9. Exceptional Items consist of:

Details	(Rs. in lacs)				
	Quarter ended 31st March 2014	Quarter ended 31st December 2013	Quarter ended 31st March 2013	Current year ended 31st March 2014	Previous year ended 31st March 2013
a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.	-	-	3,931.71	-	3,931.71
Less : Adjusted from Securities Premium Account (Refer Note No. 4a)	-	-	(3,931.71)	-	(3,931.71)
b) Others					
Profit / Loss on sale of Fixed assets and Investment Properties	-	-	31.99	(736.77)	(1,064.29)
Voluntary Retirement Scheme	-	-	7.79	-	113.68
Interest on deferred payment of electricity dues	-	-	252.87	-	252.87
Total	-	-	292.65	(736.77)	(697.74)

(Figures in brackets represent income)

10. The Company operates solely in the textile business segment.

11. Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever considered necessary, to make them comparable with those of the current year.

For MAFATLAL INDUSTRIES LIMITED


H. A. MAFATEAL
CHAIRMAN

Place: Mumbai
Dated: 30th May, 2014