

MAFATAL INDUSTRIES LIMITED
CIN L17110GJ1913PLC000035
Regd. Office: Asarwa Road, Ahmedabad - 380 016

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2014**

PART - I

(Rs. in Lakhs)

PARTICULARS	Three months ended 30/Sep/2014 (Unaudited) (1)	Preceding Three months ended 30/Jun/2014 (Unaudited) (2)	Corresponding Three months ended 30/Sep/2013 (Unaudited) (3)	Six months ended 30/Sep/2014 (Unaudited) (4)	Six months ended 30/Sep/2013 (Unaudited) (5)	Previous Year ended 31/Mar/2014 (Audited) (6)
1 Income from operations						
(a) Net sales/ income from operations (Net of excise duty)	22,967.56	22,621.57	27,418.88	45,589.13	49,239.78	89,725.95
(b) Other Operating Income	676.94	730.33	453.63	1,407.17	875.72	2,046.68
Total income from operations (net)	23,644.40	23,351.90	27,872.51	46,996.30	50,115.50	91,772.63
2 Expenses						
(a) Cost of materials consumed	5,533.68	6,373.09	7,113.84	12,306.77	12,975.93	26,489.88
(b) Purchases of stock-in-trade	9,307.47	7,514.38	13,542.49	16,821.85	21,952.54	33,611.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(416.12)	639.55	(1,677.81)	223.43	(2,299.10)	(2,688.17)
(d) Employee benefits expense	2,398.76	2,275.91	2,023.09	4,674.57	4,003.86	8,105.70
(e) Depreciation and amortisation expense (net)	235.38	541.21	402.00	776.59	778.22	1,834.60
(f) Other expenses	6,172.72	5,206.10	6,224.97	12,378.82	11,628.44	23,400.16
Total expenses	23,631.89	23,550.24	27,627.88	47,182.13	49,039.89	90,773.27
3 Profit / (Loss) from Operations before other income, finance costs and exceptional items (1 - 2)	12.51	(198.34)	244.83	(165.83)	1,075.61	699.36
4 Other income	749.49	949.71	618.02	1,699.20	958.25	1,776.49
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	762.00	751.37	862.85	1,513.37	2,033.86	2,775.85
6 Finance costs (net)	380.97	394.01	300.82	774.98	639.10	1,489.45
7 Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	381.03	357.36	562.03	738.39	1,394.76	1,286.40
8 Exceptional item (Refer Note no. 6)	-	-	4.77	-	736.77	736.77
9 Profit from ordinary activities before tax (7 + 8)	381.03	357.36	566.80	738.39	2,131.53	2,023.17
10 Tax (expense) / benefit						
(a) Current tax expense	(73.23)	(71.51)	(69.00)	(144.74)	(418.00)	(356.00)
(b) Less, MAT credit	73.23	71.51	18.00	144.74	100.00	356.00
(c) (Short)/ Excess provision for tax relating to prior years	-	-	-	-	(0.23)	200.21
(d) Net Current tax (expense) (a+b+c)	-	-	(71.00)	-	(319.23)	200.21
(e) Deferred tax (net)	(33.28)	30.00	(15.00)	(3.28)	(26.00)	170.00
Net tax (expense)/ benefit (d+e)	(33.28)	30.00	(86.00)	(3.28)	(345.23)	370.21
11 Net profit from ordinary activities after tax (9 + 10)	347.75	367.36	480.80	735.11	1,786.30	2,393.38
12 Paid-up equity share capital (Face value of Rs. 10/- per share)	1,391.29	1,391.29	1,391.29	1,391.29	1,391.29	1,391.29
13 Reserves excluding revaluation reserve as per balance sheet of previous accounting year						33,330.28
14 Earnings per share (EPS) (Face value of Rs.10/- each) (not annualized)						
Basic and diluted EPS for the period/ year	2.50	2.78	3.46	5.28	12.84	17.20
See accompanying notes to the unaudited financial results						

PART - II: SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2014

PARTICULARS	Quarter ended 30/09/2014
A PARTICULARS OF SHAREHOLDING	
1 Public shareholding	
- Number of shares	34,92,931
- Percentage of shareholding	25.11%
2 Promoters and Promoter Group Shareholding	
a) Pledged/ Encumbered	
- Number of shares	40,99,414
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	39.34%
- Percentage of shares (as a % of the total share capital of the Company)	29.46%
b) Non-encumbered	
- Number of shares	63,20,541
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	60.66%
- Percentage of shares (as a % of the total share capital of the Company)	45.43%
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	2
Disposed of during the quarter	2
Remaining unresolved at the end of the quarter	NIL

1 Standalone Statement of Assets and Liabilities

Particulars		As at current half year ended 30/09/2014	As at previous year ended 31/03/2014
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,391.22	1,391.22
	(b) Reserves and surplus	33,953.83	33,330.28
	Sub-total - Shareholders' funds	35,345.05	34,721.50
2	Non-current liabilities		
	(a) Long-term borrowings	3,340.71	3,846.29
	(b) Deferred tax liabilities (Net)	200.83	255.00
	(c) Other Long term liabilities	275.50	262.28
	(d) Long-term provisions	1,043.53	939.38
	Sub-total - Non-current liabilities	4,860.57	5,302.95
3	Current liabilities		
	(a) Short-term borrowings	6,789.24	6,725.52
	(b) Trade payables	18,431.53	12,797.99
	(c) Other current liabilities	4,626.81	4,416.57
	(d) Short-term provisions	1,356.28	1,557.05
	Sub-total - Current liabilities	31,203.86	25,497.13
	TOTAL - EQUITY AND LIABILITIES	71,409.48	65,521.58
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	15,065.76	15,703.82
	(b) Intangible assets	111.90	110.32
	(c) Capital work in Progress	1,738.67	1,459.51
	(d) Non-current investments	4,884.74	4,865.37
	(e) Long-term loans and advances	4,487.61	4,254.39
	(f) Other non current assets	648.77	603.95
	Sub-total - Non-current assets	26,937.45	26,997.36
2	Current assets		
	(a) Inventories	11,950.81	12,369.43
	(b) Trade receivables	19,743.63	13,854.90
	(c) Cash and cash equivalents	9,611.43	10,182.24
	(d) Short-term loans and advances	2,774.92	1,686.21
	(e) Other current assets	391.24	431.44
	Sub-total - Current assets	44,472.03	38,524.22
	TOTAL - ASSETS	71,409.48	65,521.58

2. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th November, 2014. The same have been subjected to Limited Review by the Statutory Auditors.
3. Details of Qualifications and the impact on the profit and loss on the published annual results of the Company:

Based on the legal advice, the Company has not recognized as income recovery of rent and other charges of Rs.83.61 lacs upto 30th September, 2014 (Rs.83.61 lacs upto 30th June, 2014, Rs.188.47 lacs upto 30th September, 2013 and Rs.83.61 lacs upto 31st March, 2014) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court.

The auditors have qualified the non-accrual of rent/recovery of expenses in their report for all the periods presented.

4. 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 previous 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. The said excess payment has already been approved by the members by way of special resolution at Annual General Meeting held on 5th August, 2014 and as required by law, necessary application is being made to the Central Government in this regard.
5. In the first quarter, the Company had charged depreciation based on remaining useful life of the assets as per Schedule II to the Companies Act, 2013 effective from 1st April, 2014 and Rs.111.56 lacs net of Deferred Tax has been adjusted to retained earnings. Consequent to obtaining technical advice on estimated useful life in the current quarter, no change is required in the useful life considered till the previous financial year for plant and machineries for the purpose of calculating depreciation. Had there been no change as stated above, depreciation would have been higher by Rs.156.77 lacs and Rs.359.76 lacs for the quarter and six months ended 30th September, 2014 respectively.

6. Exceptional Item consists of:

Details	(Rs. in lacs)					
	Quarter ended			Half Year ended		Previous year ended
	30.09.14	30.06.14	30.09.13	30.09.14	30.09.2013	31.03.14
Profit on sale of Fixed assets and Investment Properties	-	-	(4.77)	-	(736.77)	(736.77)
Total	-	-	(4.77)	-	(736.77)	(736.77)

(Figures in brackets represent income)

7. Other Income includes Rs.432.96 lacs and Rs.926.54 lacs for quarter and half year ended 30th September, 2014 respectively, being profit on sale of non-current investments.
8. The Company is primarily engaged in the business of "textiles" which, in the context of Accounting Standard (AS 17) on "Segment Reporting", constitutes a single reportable segment.
9. Figures pertaining to the previous periods have been rearranged/regrouped, reclassified and restated, wherever considered necessary, to make them comparable with those of the current period.

For MAFATLAL INDUSTRIES LIMITED



H. A. MAFATLAL
CHAIRMAN

Place: Mumbai
Dated: 13th November, 2014

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF MAFATLAL INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MAFATLAL INDUSTRIES LIMITED** ("the Company") for the Quarter and Six Months ended 30th September, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to Note no.3, regarding non-accounting of income from rent and other charges aggregating to Rs.83.61 lacs upto 30th September, 2014 (Rs.188.47 lacs upto 30th September, 2013, Rs.83.61 lacs upto 30th June, 2014 and Rs.83.61 lacs upto 31st March, 2014) for the reasons stated therein which constitutes a departure from the Accounting Standard (AS)-1 'Disclosure of Accounting Policies' and Accounting Standard (AS)-9 'Revenue Recognition' specified under the Companies Act, 1956 (which are deemed to be applicable in respect of Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014); had the said income been accounted for, other operating income for the quarter ended 30th September, 2014 would have been Rs.760.45 lacs as against the reported figure of Rs.676.84 lacs and profit for the quarter ended 30th September, 2014 would have been Rs.414.63 lacs as against the reported figure of Rs.347.75 lacs and other operating income for the six months ended 30th September, 2014 would have been Rs.1,490.78 lacs as against the reported figure of Rs.1,407.17 lacs and profit for the six months ended 30th September, 2014 would have been Rs.801.99 lacs as against the reported figure of Rs.735.11 lacs. This matter was also qualified in our report on the limited review for the corresponding quarter and six months ended 30th September, 2013, year ended 31st March, 2014 and previous quarter ended 30th June, 2014.
4. Based on our review conducted as stated above and the limited review reports received from the Branch Auditors for the Nadiad and Ahmedabad Branches, except for the effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable in respect of Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges,

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Deloitte Haskins & Sells

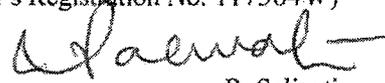
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including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months Ended 30th September, 2014 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117364W)



R. Salivati
Partner
(Membership No. 34004)

MUMBAI, 13th November, 2014

RB