

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

**PART I**

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE  
QUARTER ENDED 30TH JUNE, 2014**

(RS. IN LACS)

PARTICULARS	Quarter ended 30-06-14 (Unaudited)	Quarter ended 31-03-14 (Unaudited)	Quarter ended 30-06-13 (Unaudited)	Previous Year 31-03-14 (Audited)
<b>1 Income from operations</b>				
(a) Net sales/ income from operations (Net of excise duty)	22,621.57	21,327.89	21,820.90	89,725.95
(b) Other Operating Income	735.20	603.92	422.09	2,046.68
<b>Total income from operations</b>	<b>23,356.77</b>	<b>21,931.81</b>	<b>22,242.99</b>	<b>91,772.63</b>
<b>2 Expenses</b>				
(a) Cost of materials consumed	6,373.09	6,820.33	5,862.09	26,489.88
(b) Purchases of stock-in-trade	7,514.38	5,893.53	8,410.05	33,611.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	639.55	521.34	(621.29)	(2,668.17)
(d) Employee benefits expense (Net)	2,275.91	2,039.11	1,917.82	8,105.70
(e) Depreciation and amortization	541.21	560.62	376.22	1,834.60
(f) Stores and spare parts consumed	2,104.99	2,281.11	1,806.41	8,581.45
(g) Other expenditure	4,101.11	3,627.21	3,660.91	14,818.70
<b>Total expenses</b>	<b>23,550.24</b>	<b>21,743.25</b>	<b>21,412.21</b>	<b>90,773.27</b>
<b>3 (Loss)/ Profit from Operations before other Income, finance costs and exceptional Items ( 1 - 2 )</b>	<b>(193.47)</b>	<b>188.56</b>	<b>830.78</b>	<b>999.36</b>
<b>4 Other Income</b>	<b>944.84</b>	<b>501.23</b>	<b>341.22</b>	<b>1,776.49</b>
<b>5 Profit from ordinary activities before finance costs and exceptional items ( 3 + 4 )</b>	<b>751.37</b>	<b>689.79</b>	<b>1,172.00</b>	<b>2,775.85</b>
<b>6 Finance costs</b>	<b>394.01</b>	<b>468.78</b>	<b>338.28</b>	<b>1,489.45</b>
<b>7 Profit from ordinary activities after finance costs but before exceptional items ( 5 - 6 )</b>	<b>357.36</b>	<b>221.01</b>	<b>833.72</b>	<b>1,286.40</b>
<b>8 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>731.01</b>	<b>736.77</b>
	<b>-</b>	<b>-</b>	<b>731.01</b>	<b>736.77</b>
<b>9 Profit from ordinary activities before tax ( 7 + 8 )</b>	<b>357.36</b>	<b>221.01</b>	<b>1,564.73</b>	<b>2,023.17</b>
<b>10 Tax benefit / (expense) :</b>				
(a) Current tax expense	(71.51)	(13.00)	(330.00)	(356.00)
(b) Less: MAT credit	71.51	201.00	82.00	356.00
(c) (Short)/ Excess provision for tax relating to prior years	-	200.44	(0.23)	200.21
(d) Net Current tax (expense) (a+b+c)	-	388.44	(248.23)	200.21
(e) Deferred tax (net)	30.00	217.00	(11.00)	170.00
<b>Net tax benefit / (expense) (d+e)</b>	<b>30.00</b>	<b>605.44</b>	<b>(259.23)</b>	<b>370.21</b>
<b>11 Net Profit after tax for the period / year</b>	<b>387.36</b>	<b>826.45</b>	<b>1,305.50</b>	<b>2,393.38</b>
<b>12 Paid-up equity share capital (Face value of Rs. 10/- per share)</b>	<b>1,391.29</b>	<b>1,391.29</b>	<b>1,391.29</b>	<b>1,391.29</b>
<b>13 Reserves excluding revaluation reserve as per Balance sheet of previous accounting year</b>				<b>33,330.28</b>
<b>14 Earnings per share (EPS) ( Face value of Rs.10/- each) (not annualized)</b>				
a Basic and diluted EPS before extraordinary items	2.78	5.94	9.38	17.20
b Basic and diluted EPS after extraordinary items	2.78	5.94	9.38	17.20

**PART II : SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2014**

<b>A PARTICULARS OF SHAREHOLDING</b>				
<b>1 Public shareholding</b>				
- Number of shares	3,492,981	3,492,931	3,492,981	3,492,931
- Percentage of shareholding	25.11%	25.11%	25.11%	25.11%
<b>2 Promoters and Promoter Group Shareholding</b>				
a) Pledged/ Encumbered				
- Number of shares	4,099,414	4,099,414	NIL	4,099,414
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	39.34%	39.34%	NIL	39.34%
- Percentage of shares (as a % of the total share capital of the Company)	29.46%	29.46%	NIL	29.46%
b) Non-encumbered				
- Number of shares	6,320,541	6,320,541	10,419,905	6,320,541
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	60.66%	60.66%	100.00%	60.66%
- Percentage of shares (as a % of the total share capital of the Company)	45.43%	45.43%	74.89%	45.43%
<b>PARTICULARS</b>	<b>3 months ended 30/06/2014</b>			
<b>B INVESTOR COMPLAINTS</b>				
Pending at the beginning of the quarter	NIL			
Received during the quarter	1			
Disposed of during the quarter	1			
Remaining unresolved at the end of the quarter	NIL			



1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4<sup>th</sup> August, 2014. The same have been subjected to Limited Review by the Statutory Auditors.
2. Details of Qualifications and the impact on the profit and loss on the published annual results of the Company:

As legally advised, the Company has not recognized as income recovery of rent and other charges of Rs.83.61 lacs upto 30<sup>th</sup> June, 2014 (Rs.186.29 lacs upto 31<sup>st</sup> March, 2014), 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. The balance amount of Rs.577.89 lacs has been included in Other Current Liabilities.

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

3. 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 31<sup>st</sup> 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. As required by law, necessary application will be made to the Central Government in this regard.
4. The Company has charged depreciation based on the remaining useful life of the assets as per the requirement of Schedule II of Companies Act, 2013 effective from 1st April, 2014. Due to the above, depreciation charge for the quarter is lower by Rs.19.36 lacs. Further, based on transitional provision provided in note 7 (b) of Schedule II, an amount of Rs.74.29 lacs (net of Deferred Tax) has been adjusted to Retained Earnings.

5. Other Exceptional Items consist of:

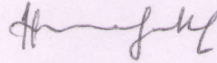
Details	(Rs. in lacs)			
	Quarter ended 30 <sup>th</sup> June 2014	Quarter ended 31st March 2014	Quarter ended 30 <sup>th</sup> June 2013	Previous year ended 31st March 2013
Profit / Loss on sale of Fixed assets and Investment Properties	-	-	(731.07)	(736.77)
<b>Total</b>	-	-	<b>(731.07)</b>	<b>(736.77)</b>

(Figures in brackets represent income)



6. 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.
7. 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 period.

**For MAFATLAL INDUSTRIES LIMITED**



**H. A. MAFATLAL  
CHAIRMAN**

Place: Mumbai

Dated: 4<sup>th</sup> August, 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 ended 30<sup>th</sup> June 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. 2, regarding non-accounting of income from rent and other charges aggregating to Rs.83.61 lacs upto June 2014 (Rs.187.38 lacs upto 30<sup>th</sup> June 2013 and Rs.83.61 lacs upto 31<sup>st</sup> 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 income for the quarter ended 30<sup>th</sup> June 2014 would have been Rs.1,028.45 lacs as against the reported figure of Rs.944.84 lacs and profit for the quarter ended 30<sup>th</sup> June 2014 would have been Rs.454.24 lacs as against the reported figure of Rs.387.36 lacs. This matter was also qualified in our report on the limited review for the quarter ended 30<sup>th</sup> June 2013 and audit for the year ended 31<sup>st</sup> March 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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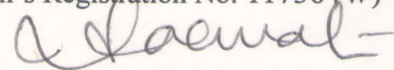
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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered 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 Ended 30<sup>th</sup> June 2014 of the Statement, from the details furnished by the Management.

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



R. Salvati  
Partner  
(Membership No. 34004)

BS MUMBAI, 4<sup>th</sup> August 2014