



ARVIND MAFATLAL GROUP  
The ethics of excellence

*Mafatlal*

MAFATLAL INDUSTRIES LIMITED



2013-14

### Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Mafatlal Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Mafatlal Industries Limited annual report 2013-14.

<b>Contents</b>	01 Corporate identity
	02 Notice
	12 Summarised financial data
	14 Directors' Report
	21 Management Discussion and Analysis
	23 Report on Corporate Governance
	33 Standalone financial statements
	82 Consolidated financial statements
	128 Discount Coupon

## Board of Directors

Shri H. A. Mafatlal	<i>Chairman</i>
Shri P. R. Amin	<i>Director</i>
Shri P. J. Desai	<i>Director (upto 30.05.2014)</i>
Shri N. K. Parikh	<i>Director</i>
Shri V. R. Gupte	<i>Director</i>
Shri P. N. Kapadia	<i>Director</i>
Shri V. K. Balasubramanian	<i>Director (upto 31.07.2013)</i>
Shri A. K. Srivastava	<i>Director</i>
Shri V. P. Mafatlal	<i>Vice-Chairman</i>
Shri Rajiv Dayal	<i>Managing Director &amp; Chief Executive Officer</i>

## Company Secretary

Shri Rasesh Shah (upto 13.6.2014)

## Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants

## Solicitors

M/s. Vigil Juris

## Corporate Office

6th Floor, Kaledonia Building, Sahar Road,  
Off: Western Express Highway,  
Andheri (East),  
Mumbai - 400 069.  
Tel: 91 22 6771 3800 / 3900  
Fax: 91 22 6771 3924 / 25  
Website: www.mafatlals.com

## Registered Office

Asarwa Road,  
Ahmedabad - 380 016.  
Tel: 91 79 2212 3944 - 45  
Fax: 91 79 2212 3045

## Unit / Factories:

(Only Nadiad and Navsari Units are operational)

### Nadiad Unit:

Kapadvanj Road, Nadiad-387 001.

### Navsari Unit: (both textiles and denim)

Vejalpore Road, Navsari - 396 445.

### Mazgaon Unit, Mumbai:

Rambhau Bhogale Marg,  
Mumbai - 400 010.

## Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.  
Samhita Warehousing Complex, 2nd Floor,  
Gala No.52 to 56, Bldg.No.13 A-B,  
Near Sakinaka Telephone Exchange,  
Andheri-Kurla Road, Sakinaka,  
Mumbai - 400 072.  
Tel: 91 22 6772 0300 / 6772 0400  
Fax: 91 22 2859 1568 / 2850 8927  
E-mail: sharepro@shareproservices.com

## Investor Relations Centre

- 1) 912, Raheja Centre, Free Press Journal Road  
Nariman Point, Mumbai - 400 021.  
Tel: 91 22 6613 4700  
Fax: 91 22 2282 5484
- 2) Devnandan Mega Mall  
Office no. 416-420, 4th Floor,  
Opp. Sanyas Ashram, Ashram Road,  
Ahmedabad - 380 006.  
Tel: 91 79 2658 2381 / 2384

## Shareholders' Information

1. Trading in Equity Shares of the Company is permitted only in de materialized form as per notification issued by SEBI. Demat Code of Mafatlal Industries Limited ISIN: INE270B01027
2. The Shares of the Company are listed on BSE Ltd. and Ahmedabad Stock Exchange Ltd. and the Listing Fees for both the Exchanges have been paid by the Company for the year 2014-15.
3. The Shareholders are requested to notify change in address, if any, immediately to the Registrar & Transfer Agents at the above address mentioning their Folio Numbers.

## 100th Annual General Meeting on

Tuesday, the 5th August, 2014  
at 10.30 a.m.

at Thakorebhai Desai Hall,  
Near Law Garden, Ellisbridge,  
Ahmedabad-380 006.

1. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.

# NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 100th Annual General Meeting of the Members of the Company will be held on Tuesday, the 5th August, 2014 at 10.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006, to transact the following business:

## ORDINARY BUSINESS

- 1) To consider and adopt the Directors' Report and the Audited Financial Statements including Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Auditor's Report thereon.
- 2) To declare Dividend for the year 2013-14 on Equity Shares.
- 3) To appoint a Director in place of Shri H. A. Mafatlal (holding DIN 00009872), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the 103rd Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS

- 5) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with Sections 139 and 141 of the Companies Act, 2013, M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai (ICAI Registration No.110417W), be and are hereby appointed as the Branch Auditors of the Company, to hold office from the conclusion of this Annual General Meeting and up to the conclusion of the 103rd Annual General Meeting, for the audit of books of accounts of the Branch Offices of the Company at Ahmedabad and Nadiad, on such remuneration, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit and the applicable taxes, as may be recommended by the Audit Committee and determined by the Board of Directors of the Company in consultation with the Branch Auditors."

- 6) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with Sections 139 and 141 of the Companies Act, 2013, M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, (ICAI Registration No.101876W), be and are hereby appointed as the Branch Auditors of the Company, to hold office from the conclusion of this Annual General Meeting and up to the conclusion of the 103rd Annual General Meeting, for the audit of books of accounts of the Branch Offices of the Company at Ahmedabad and Nadiad, on such remuneration, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit and the applicable taxes, as may be recommended by the Audit Committee and determined by the Board of Directors of the Company in consultation with the Branch Auditors."

- 7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri P. R. Amin (holding DIN 00171677), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

- 8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder

(including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri N. K. Parikh (holding DIN 00058995), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

- 9) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri V. R. Gupte (holding DIN 00011330), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

- 10) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri P. N. Kapadia (holding DIN 00078673), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

- 11) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General meeting of members held on 8th August, 1992 and pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to mortgage / charge / encumber all or any of the immovable and or movable properties including securitization of the receivables where so ever situated, present and future including the whole or substantially the whole of the undertaking/s of the Company in favour of Banks, Financial Institutions and other bodies corporate and entities to secure an aggregate amount upto ₹ 500 crores and interest at agreed rate, additional interest, compound interest, commitment charges, etc., as may be applicable and payable by the Company to the lenders in terms of the agreement/s executed with them".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate, finalize and settle with the lenders concerned, all deeds, documents and writings for creating the aforesaid mortgage(s), charge(s) and encumbrances and to do all such acts, deeds and things as may be necessary and expedient for giving effect to this resolution".

- 12) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of members held on 8th August, 1992 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans in the ordinary course of business obtained/to be obtained from one or more Banks, Financial Institutions, other bodies corporate and entities shall not at any time exceed ₹ 500 Crores (Rupees Five Hundred Crores)."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and settle with the lenders concerned, all deeds, documents and writings for the purpose of borrowings and to do all such acts, deeds and things as may be necessary and experienced for giving effect to the aforesaid resolutions."

- 13) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and Section 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the approval of the Central Government, approval of the members of the Company be and is hereby accorded to the managerial remuneration mentioned below paid to Shri V. P. Mafatlal, Executive Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer for the Financial Year 2013-14 notwithstanding it being in excess of the limits prescribed under the said provisions."

Name of Director	Salary & Perquisites (₹)
Shri V. P. Mafatlal, Executive Vice-Chairman	1,14,78,814/-
Shri Rajiv Dayal, Managing Director & Chief Executive Officer	1,17,28,512/-
<b>Total:</b>	<b>2,32,07,326/-</b>

**"RESOLVED FURTHER THAT** subject to approval of the Central Government, the amount of excess payment of the managerial remuneration of ₹ 78,61,404/- paid to the aforesaid managerial personnels (i.e. excess of ₹ 38,05,853/- above the limit paid to Shri V. P. Mafatlal and excess of ₹ 40,55,551/- above the limit paid to Shri Rajiv Dayal) during the year 2013-14 be and is hereby approved."

**"RESOLVED FURTHER THAT** the Company do make an application to the Central Government to waive the excess payment of managerial remuneration and that Board of Directors of the Company be and is hereby authorized to do all the necessary acts, deeds, matters and things to implement this resolution."

- 14) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with

Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, payment of Remuneration of ₹ 4,00,000/- (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri I. V. Jagtiani, Cost Auditor (Membership No. M-997), (lead cost auditor) for conducting the audit of Cost Accounting Records relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April 2014 to 31st March 2015 be and is hereby approved."

- 15) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of The Companies Act, 2013, payment of Remuneration of ₹ 1,50,000/- (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri B. C. Desai, Cost Auditor (Membership No. M-1077), for conducting the audit of Cost Accounting Records relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April 2014 to 31st March 2015 be and is hereby approved."

- 16) To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') the Register of Members, Index of Members, Register and Index of Debenture holders, if any, prepared in accordance with the provisions of Section 88 of the Act, in respect of the Shares and Debentures issued by the Company from time to time, shall be kept at the office of the Registrar and Share Transfer Agents of the Company, M/s. Sharepro Services (India) Pvt. Ltd., at Devnandan Mega Mall, Office No.416-420 4th floor, Opp. Sanyas Ashram, Ashram Road, Ahmedabad – 380 006, till such time the same is required to be maintained under the provisions of the Act and unless some other place is directed or informed by the Company."

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

Mumbai  
Dated: 30th May, 2014

By Order of the Board

**Rasesh Shah**  
Company Secretary

## Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5 to 16 mentioned in the above Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 28th July, 2014 to Friday, the 1st August, 2014 (both days inclusive) for the purpose of payment of dividend.
4. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on 11th August, 2014. In order to enable the Company to directly credit the dividend amount in the bank accounts:
  - a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
  - b) Shareholders holding shares in physical form are requested to provide the following details alongwith an authorization letter allowing the Company to directly credit the dividend in their bank accounts: Name of first account holder (as appearing in the bank account records), bank name, branch name, branch address, account type and account number, IFSC code and MICR code and copy of cancelled cheque.
5. The Shareholding of the Independent Directors seeking appointment at this Annual General Meeting is as under:
  - a) Shri P. R. Amin - 211
  - b) Shri N. K. Parikh - Nil
  - c) Shri V. R. Gupte – 2
  - d) Shri P. N. Kapadia -138
6. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government. The details of members who have not encashed their dividend

warrants for the year 2012-13 are available under the 'Financials' section on the Website of the Company viz. [www.mafatlals.com](http://www.mafatlals.com). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

7. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices/documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
8. In terms of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 e-voting facility is being provided to the Members. Details of the e-Voting process and the relevant details are being sent to all the Members along with the Notice.

## Annexure to Notice

### Explanatory Statement as required by Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos. 5 to 15 mentioned in the accompanying Notice dated 30th May, 2014.

### In respect of Item Nos. 5 & 6

The Resolution is being moved in conformity with the provisions of Section 143(8) of the Companies Act, 1956 for the appointment of Branch Auditors for the audit of the accounts of the Company's Branch Offices at Ahmedabad and Nadiad. M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai (ICAI Registration No.110417W) and M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, (ICAI Registration No.101876W) are the Branch Auditors of the Company since past many years for the above referred purpose. They are appointed in consultation with the Statutory Auditors and in accordance with the approval granted by the members at the Annual General Meetings.



It is desirable to appoint M/s. Sorab S. Engineer & Co., and M/s. C. C. Chokshi & Co., as the Branch Auditors of the Company for audit of accounts of the Company's Branch Offices at Ahmedabad and Nadiad and to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 103rd Annual General Meeting at a remuneration as may be decided by the Board of Directors of the Company.

Your Directors recommend the passing of the above resolutions.

None of the Directors, key managerial personnel and / or their relatives, is concerned or interested in the above Resolutions.

#### **In respect of Item No. 7**

Shri P. R. Amin is a Commerce Graduate and Fellow Member of the Institute of Chartered Accountants of India. He has varied experience of over 51 years in the areas of Finance, Production Management and Corporate Affairs. Shri Amin is a Director of the Company since 13th June, 1985. He has held senior positions in various departments in the Company and before retirement, was holding the position of Executive Vice-President designated as President (Corporate Affairs) of the Company from 15th June, 1993 to 14th June, 1998. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri Amin is a Director, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Amin, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intension to propose Shri P. R. Amin as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri Amin fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri Amin as an Independent Director setting out the terms and conditions would be available for inspection

without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and / or their relatives, except Shri P. R. Amin is concerned or interested in the resolution.

#### **In respect of Item No. 8**

Shri N. K. Parikh is a Commerce Graduate and Fellow Member of the Institute of Chartered Accountants of India. He is a Director of the Company since 17th June, 2005. Shri Parikh has varied experience in the field of Finance and Administration. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri Parikh is a Director, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Parikh, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intension to propose Shri N. K. Parikh as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri Parikh fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri Parikh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and / or their relatives, except Shri N. K. Parikh is concerned or interested in the resolution.



## In respect of Item No. 9

Shri V. R. Gupte is a Graduate in Commerce and a Chartered Accountant. He is on the Board of the Company since 30th May, 2013. He has experience of more than 41 years at various companies in financial, legal and commercial matters. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri Gupte is a Director, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Gupte, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intension to propose Shri V. R. Gupte as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri Gupte fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri Gupte as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and / or their relatives, except Shri V. R. Gupte is concerned or interested in the resolution.

## In respect of Item No. 10

Shri P. N. Kapadia, is a renowned Advocate and Solicitor having experience of more than 36 years in the legal field. He is a partner of Vigil Juris, Advocates & Solicitors, Mumbai. He is on the Board of the Company since 30th May, 2013. He is presently an Independent Director on the Board as per the current provisions of the Listing Agreement.

Shri Kapadia is a Director, whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Kapadia, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. A notice has been received from a member of the Company along with requisite deposit signifying his intension to propose Shri P. N. Kapadia as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri Kapadia fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Shri Kapadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and / or their relatives, except Shri P. N. Kapadia is concerned or interested in the resolution.

## In respect of Item No. 11

The Members of the Company at their Annual General Meeting held on 8th August, 1992, had by passing an Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, granted approval for creating mortgage/charge/encumbrance on the moveable and immoveable properties of the Company, in favour of lenders for financial assistance of up to an aggregate amount of ₹ 1000 crores.

Section 180(1)(a) of the Companies Act, 2013 which has come into force with effect from 12th September, 2013, inter alia, prescribes that the Board of Directors shall not, without the consent of the Company by way of a Special Resolution sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company.

The Ministry of Corporate Affairs vide its General Circular No.4/2014 dated 25th March, 2014 has clarified that the earlier resolutions passed under Section 293 of the Companies Act, 1956 (corresponding to section 180 of the Companies Act, 2013) shall remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 viz. upto 12th September, 2014. The Company may be required to offer as security the immoveable/moveable properties and other assets of the Company to secure the borrowings which may be availed from time to time. Accordingly, this Special Resolution is proposed for approval of Members for granting authority to create mortgage/charge/encumbrance on the properties of the Company.

The Board of Directors recommend passing of the Special Resolution at Item No.11 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in this resolution.

#### **In respect of Item No. 12**

The Members of the Company at their Annual General Meeting held on 8th August, 1992 had inter alia approved by way of an enabling Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, for borrowing amounts in excess of paid-up capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business subject to the overall limit for borrowings of ₹ 1,000 Crores (Rupees One Thousand Crores only).

Section 180(1)(c) of the Companies Act, 2013 which came in to effect from 12th September, 2013 prescribes that the Board of Directors shall not, without the consent of the Company by way of a Special Resolution, borrow moneys which together with the money already borrowed will exceed aggregate paid-up capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

The Ministry of Corporate Affairs has vide its General Circular no. 4/2014 dated 25th March, 2014 clarified that the earlier resolutions passed under Section 293 of the Companies Act, 1956 (corresponding to Section 180 of the Companies Act, 2013) shall remain valid for a period of one year from the date of Notification of Section 180 of the Companies Act, 2013 viz. up to 12th September, 2014. The Company may be required to borrow the funds in future which may exceed the aggregate of paid-up capital and free reserves. This may attract the provisions of Section 180 (1)(c) of the Companies Act, 2013. Accordingly, Special Resolution is proposed for approval of Members.

The Board of Directors recommend passing of the Special Resolution at Item No 12 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the resolution.

#### **In respect of Item No. 13**

The Company has been continuously making capital investments in both the textiles division and the denim division. During the year 2012-13 and 2013-14, the Company has invested ₹ 77.19 crores and ₹ 33.60 crores respectively, by way of capital expenditure and has plans to make further capital expenditure in 2014-15. While the Company expects to reap the benefits of such capital expenditure in the forthcoming years, the profit and loss account of the Company has already been impacted by the interest and depreciation charge.

The Textile Division of the Company witnessed substantial increase in production levels during 2013-14. With the installation of new capital equipment and increase in processing capacity the Company expects to gradually and sustainably increase the production levels in 2014-15 also. The captive co-generation plant at Nadiad Unit is expected to be commissioned by mid-2014.

The Denim Division of the Company increased its capacity in 2013-14. Presently, the Indian denim industry is facing a situation of over capacity, which has led to demand and supply mismatch thereby causing pressure on price realizations and volume growth. This coupled with high cotton prices throughout 2013-14 has led to severe erosion of profit margins in the denim segment. The situation is expected to improve in 2014-15.

The Company has made net profit of ₹ 23.93 crores for the year 2013-14. The net profit as calculated u/s.349, 350 read with Section 198 of the Companies Act, 1956 comes to ₹15.34 crores. There is, therefore, excess payment to the tune of ₹78.61 lacs during 2013-14 towards managerial remuneration.

Shri Rajiv Dayal does not have any direct or indirect interest in the capital of the Company or through any other statutory structures at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialized knowledge in the field of his profession. Hence in terms of the provisions of the fifth proviso in sub-para (C) to Schedule XIII – Part II – Section II of the Companies Act, 1956, approval of the Central Government is not required in the case of Shri Rajiv Dayal.

In accordance with the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956 and of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 30th May, 2014 have approved the excess of the managerial remuneration paid during the year 2013-14 as set forth in the resolution in view of the inadequate profit for the year 2013-14. This will be subject to approval of the Central Government, as may be applicable. The Board, therefore, recommends the approval of the Special Resolution by the shareholders.

None of the Directors, key managerial personnel and / or their relatives except Shri V.P. Mafatlal and Shri Rajiv Dayal, is concerned or interested in the resolution.

#### In respect of Item Nos. 14 & 15

Section 148(2) of the Companies Act, 2013 provides that if the Central Government is of the opinion that it is necessary to do so, it may, by order, direct that the audit of cost records of class of companies, which are covered under sub-section (1) and which have a net worth of such amount as may be prescribed or a turnover of such amount as may be prescribed, shall be conducted in the manner specified in the order.

The said Section 148(2) has been notified by the Ministry of Corporate Affairs and has been made effective from 1 April, 2014, however so far, no Rules or Orders have been issued in this regard. The Company was covered under the Cost Audit regulations under the provisions of the Companies Act, 1956 and Orders issued thereunder.

Based on recommendation of the Audit Committee, the Board of Directors have appointed Shri I. V. Jagtiani as the Cost Auditor for conducting the audit of Cost Accounting Records maintained by the Textile Division of the Company at Navsari, Denim Division of the Company at Navsari and the Marketing Services Department at Mumbai relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April, 2014 to 31st March, 2015 on a proposed remuneration of ₹ 4.00 lacs apart from re-imbursement of out of pocket expenses incurred for the purpose of Audit. Shri I. V. Jagtiani is also designated as the Principal / Lead Cost Auditor responsible for consolidation and filing the Cost Audit Report with the Central Government for the Financial Year 2014-15.

Based on recommendation of the Audit Committee, the Board of Directors have appointed Shri B. C. Desai as the Cost Auditor

for conducting the audit of Cost Accounting Records maintained by the Textile Division of the Company at Nadiad relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April, 2014 to 31st March, 2015 on a proposed remuneration of ₹ 1.50 lacs apart from re-imbursement of out of pocket expenses incurred for the purpose of Audit.

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014 prescribes that the remuneration of the Cost Auditor(s) shall be approved by the Shareholders. Accordingly, an Ordinary Resolution is proposed for approval of the Members.

The Board of Directors recommend passing of the Ordinary Resolution at Item No 14 & 15 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the resolution.

#### In respect of Item No. 16

Section 94 of the Companies Act, 2013 (the 'Act') provides that the registers required to be kept and maintained by the Company under the provisions of Section 88 may be kept at a place other than the registered office at any place in India in which more than one-tenth of the members reside, if the same is approved by the members by way of a Special Resolution.

The Company proposes to keep all the documents mentioned in Section 88 of the Act at the office of the Registrars and Share Transfer Agents of the Company viz., M/s. Sharepro Services (India) Pvt. Ltd., at Devnandan Mega Mall, Office No.416-420 4th floor, Opp. Sanyas Ashram, Ashram Road, Ahmedabad – 380 006, till such time the same is required to be maintained under the provisions of the Act and unless some other place is directed or informed by the Company.

Accordingly, a Special Resolution is proposed for approval of the Members.

The Board of Directors recommend passing of the Special Resolution at Item No 16 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the resolution.

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

By Order of the Board

**Rasesh Shah**  
Company Secretary

Mumbai  
Dated: 30th May, 2014

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name, Age and Qualification of the Director	Date of Appointment	Expertise in functional Areas	Names of the Companies in which he holds Directorships and Memberships of Committee of the Board.
Shri H. A. Mafatlal (59 Years) B.Com (Hons)	03.05.1979	He is an industrialist having diversified experience of more than 36 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services, etc.	<b>Director in:</b> <ol style="list-style-type: none"> <li>1) Cebon Apparel Pvt. Ltd.</li> <li>2) Eyeindia.com Pvt. Ltd.</li> <li>3) HPA Sports Pvt. Ltd.</li> <li>4) Manchester Organics Limited, U.K.</li> <li>5) Mafatlal Global Apparel Ltd.</li> <li>6) Mafatlal Industries Ltd.</li> <li>7) Mafatlal Services Ltd.</li> <li>8) Mafatlal Asset Management Co. Ltd.</li> <li>9) Navin Fluorine International Ltd.</li> <li>10) Nocil Ltd.</li> <li>11) Techergo Solutions Ltd.</li> <li>12) Tropical Clothing Company Pvt. Ltd.</li> <li>13) BAIF Institute for Sustainable Livelihoods and Development</li> </ol> <b>Committee Membership:</b> <b>Stakeholders' Relationship Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Member</li> <li>2) Nocil Ltd. - Member</li> </ol> <b>Corporate Social Responsibility Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Chairman</li> <li>2) Navin Fluorine International Ltd. - Chairman</li> <li>3) Nocil Ltd. - Chairman</li> </ol>
Shri P. R. Amin (78 Years) B.Com., ACA	13.06.1985	Experience of over 51 years in Finance, Production, Management and Corporate Affairs.	<b>Director in:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd.</li> </ol> <b>Committee Membership:</b> <b>Audit Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Chairman</li> </ol> <b>Nomination &amp; Remuneration Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Member</li> </ol>
Shri N. K. Parikh (79 Years) B.Com., FCA	17.06.2005	Experience of over 53 years in the field of Finance, Accounts, Taxation and Commerce.	<b>Director in:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd.</li> </ol> <b>Committee Membership:</b> <b>Audit Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Member</li> </ol>
Shri V. R. Gupte (69 Years) B.Com., Chartered Accountant	30.5.2013	Experience of more than 41 years at various companies in Finance, Legal and Commercial matters.	<b>Director in:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd.</li> <li>2) Nocil Ltd.</li> <li>3) WTS India Pvt. Ltd.</li> </ol> <b>Committee Membership:</b> <b>Audit Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Member</li> <li>2) Nocil Ltd. - Member</li> </ol> <b>Nomination &amp; Remuneration Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Chairman</li> </ol> <b>Corporate Social Responsibility Committee:</b> <ol style="list-style-type: none"> <li>1) Mafatlal Industries Ltd. - Member</li> </ol>

Name, Age and Qualification of the Director	Date of Appointment	Expertise in functional Areas	Names of the Companies in which he holds Directorships and Memberships of Committee of the Board.
Shri P. N. Kapadia (62 Years) B.A., LL.B	30.5.2013	Advocate & Solicitor  Experience of more than 36 years in the legal field. He is a partner of Vigil Juris, Advocates & Solicitors, Mumbai	<b>Director in:</b> <ol style="list-style-type: none"> <li>1) Afcons Infrastructure Ltd.</li> <li>2) C.C. Chokshi Advisers Pvt. Ltd.</li> <li>3) Gokak Textiles Ltd.</li> <li>4) Hindustan Thompson Associates Pvt. Ltd.</li> <li>5) HTA Marketing Services Pvt. Ltd.</li> <li>6) Hungama Digital Services Pvt. Ltd.</li> <li>7) Mafatlal Industries Ltd.</li> <li>8) Navin Fluorine International Ltd.</li> <li>9) Sumangala Investments Pvt. Ltd.</li> </ol> <b>Committee Membership:</b> <b>Audit Committee:</b> <ol style="list-style-type: none"> <li>1) Afcons Infrastructure Ltd. - Member</li> <li>2) Navin Fluorine International Ltd. - Member</li> </ol> <b>Stakeholders' Relationship Committee:</b> <ol style="list-style-type: none"> <li>1) Afcons Infrastructure Ltd. - Chairman</li> <li>2) Mafatlal Industries Ltd. - Chairman</li> <li>3) Navin Fluorine International Ltd. - Chairman</li> </ol> <b>Nomination &amp; Remuneration Committee:</b> <ol style="list-style-type: none"> <li>1) Afcons Infrastructure Ltd. - Member</li> <li>2) Mafatlal Industries Ltd. - Member</li> </ol>

## SUMMARISED FINANCIAL DATA

Particulars				
	2003-2004	2004-2005	2005-2006	
	1	2	3	
<b>PROFIT &amp; LOSS ACCOUNT</b>				
<b>Total Income</b>	19,533.62	20,540.27	16,699.56	
Profit before Depreciation, Interest, Exceptional Items and Tax	(322.29)	3,148.54	(1,849.89)	
Exceptional Items	-	-	-	
Finance costs	(2,933.38)	(3,242.36)	(3,867.58)	
Depreciation, Amortisation and Impairment	(1,108.90)	(920.71)	(780.94)	
Profit before Tax	(4,364.57)	(1,014.53)	(6,498.41)	
Profit after Tax	(4,365.07)	(1,029.77)	(6,521.01)	
Dividend (₹ per share)				
Earning per share (EPS) ₹	(87.31)	(20.60)	(130.42)	
<b>BALANCE SHEET</b>				
Net Fixed Assets	8,698.33	5,516.76	4,673.74	
Investments	19,576.77	19,574.71	19,433.95	
Current Assets (Net)*	(29,557.94)	(15,200.17)	(17,316.17)	
Miscellaneous Exps not W/Off	6,544.11	4,987.58	3,474.16	
Total Application	5,261.27	14,878.88	10,265.68	
Borrowings	44,484.45	46,389.93	48,297.74	
Net Worth:				
Share Capital	499.94	9,499.94	9,499.94	
Reserves	(39,723.12)	(41,010.99)	(47,532.00)	
	(39,223.18)	(31,511.05)	(38,032.06)	
Total Sources	5,261.27	14,878.88	10,265.68	
Book value per Equity Share (₹)	-	-	-	
(Face value - ₹ 10 per Share)				
Debt/ Equity Ratio	-	-	-	
Operating EBIDTA (%)	-2%	15%	-11%	
Profit After Tax (%)	-22%	-5%	-39%	
Return on Net Worth (%)	12%	3%	19%	
Return on Capital Employed	-23%	22%	-21%	

\* Current Assets (Net) are net of Current & Non Current Assets and Liabilities.

+ Including a Special Centenary Dividend of ₹ 2/- per Equity Share.

Financial Year Ended on							
	2006-08	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14
	(18 MONTHS)	(14 MONTHS)		(13 MONTHS)	(9 MONTHS)		
	4	5	6	7	8	9	10
	41,273.38	54,998.06	30,913.02	86,608.46	18,069.79	84,038.13	93,549.12
	6,689.72	35,183.24	7,164.51	36,025.11	(1,096.70)	8,999.05	4,610.45
	-	-	-	16,086.77	(5,040.76)	697.74	736.77
	(2,929.12)	(1,014.50)	(557.56)	(1,085.88)	(245.11)	(3,199.92)	(1,489.45)
	(807.08)	(402.02)	(332.51)	(252.48)	(203.42)	(1,444.05)	(1,834.60)
	2,953.52	33,766.72	6,274.44	50,773.52	(6,585.99)	5,052.82	2,023.17
	2,930.31	33,750.72	5,176.30	38,056.00	(5,185.99)	3,715.93	2,393.38
						+ 5	3
	58.61	675.01	71.16	387.78	(52.84)	26.71	17.20
	3,797.80	3,373.55	1,975.17	1,613.34	2,003.60	15,648.04	17,273.65
	16,609.00	16,567.45	12,477.61	5,477.25	5,009.80	4,871.58	4,865.37
	(5,322.26)	(11,407.63)	(3,499.36)	41,657.38	27,067.95	24,293.87	23,154.29
	1,279.69	0.75	-	-	-	-	-
	16,364.23	8,534.12	10,953.42	48,747.97	34,081.35	44,813.49	45,293.31
	51,633.98	10,053.15	7,296.15	7,034.70	554.07	8,997.04	10,571.81
	9,499.94	9,499.94	6,981.32	6,981.32	3,981.32	4,391.22	1,391.22
	(44,769.69)	(11,018.97)	(3,324.05)	34,731.95	29,545.96	31,425.23	33,330.28
	(35,269.75)	(1,519.03)	3,657.27	41,713.27	33,527.28	35,816.45	34,721.50
	16,364.23	8,534.12	10,953.42	48,747.97	34,081.35	44,813.49	45,293.31
	-	-	50.30	425.04	341.63	257.43	249.56
	-	-	1.99	0.17	0.02	0.25	0.30
	16%	64%	23%	42%	-6%	11%	5%
	7%	61%	17%	44%	-29%	4%	3%
	-8%	-183%	484%	168%	-14%	10%	7%
	44%	279%	70%	174%	-15%	18%	8%



# Directors' Report

To  
The Members,  
Mafatlal Industries Limited

Your Directors are pleased to present the 100th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2014.

## 1. Financial Results:

The Financial Results of the Company are as under:

	(Amount ₹ in Lacs)	
	Current Year 2013-14	Previous Year 2012-13
Revenue from Operations	91,772.63	79,749.07
Other Income	1,776.49	4,289.06
<b>EBIDTA</b>	4,610.45	8,999.05
Less: Depreciation	1,834.60	1,444.05
Finance Costs	1,489.45	3,199.92
Profit before Exceptional Items	1,286.40	4,355.08
Exceptional Items (Net)	736.77	697.74
Profit before Taxes	2,023.17	5,052.82
Tax (Expense) / Benefits	370.21	(1,336.89)
<b>Profit after Taxes</b>	2,393.38	3,715.93
Add: Surplus brought forward from previous year	4,386.64	3,768.28
Add: Pursuant to Scheme of Amalgamation	-	(1,908.71)
<b>Amount available for appropriation</b>	6,780.02	5,575.50
<b>Appropriation</b>		
Transfer to Capital Redemption Reserve	3,000.00	-
Transfer to General Reserve	245.00	375.00
Proposed Final Dividend	417.39	695.64
Corporate Dividend Tax	70.94	118.22
	3,733.33	1,188.86
<b>Surplus carried to Balance Sheet</b>	3,046.69	4,386.64

## 2. Dividend:

The Board of Directors is pleased to recommend a dividend for the year of ₹ 3 per Share (30%) on 1,39,12,886 Equity Share of ₹10/- each, aggregating to ₹ 4.17 crores as compared to total dividend of ₹ 5/- per share (@ 50%) for the previous year comprising of normal dividend of ₹ 3/- per share (@ 30%), and a Special Centenary Dividend of ₹ 2/- per share (@ 20%).

## 3. Year in Retrospect:

The overall deceleration of India' GDP growth had a significant negative impact on the general business environment and consumer sentiment. While the textile industry in general had to face the impact of high raw material prices, the same could not be recovered in pricing due to the over-supply of products emanating from capacity built up by most fabric manufacturers in the last couple of years.

The Profit before Tax decreased from ₹ 50.53 crores in the previous year to ₹ 20.23 crores for the year under review and the Profit after Tax has decreased from ₹ 37.16 crores in the previous year to ₹ 23.93 crores for the year under review.

During the year, the Company obtained credit rating from both Crisil Ltd. (CRISIL) and Credit Analysis and Research Ltd. (CARE) to its proposal of obtaining financial facilities to the tune of ₹ 100 crores. CRISIL has assigned its 'CRISIL BBB-/Stable' rating to the cash credit and proposed term loan facilities and has assigned its 'CRISIL A3' rating to the letter of credit and bank guarantee facilities and indicated 'Stable outlook to the Company'. CARE has assigned its 'CARE BBB-' rating to the long term facilities having tenure of more than one year and has assigned its 'CARE A3' rating to the short term facilities having tenure of up to one year. All the above ratings indicate moderate degree of safety regarding timely payment of financial obligations.

During the year, the Company redeemed the entire outstanding balance of Fully Redeemable Non-Cumulative Preference Shares of ₹ 30 crores.

## 4. Listing of Shares pursuant to the Amalgamation of Mishapar Investments Limited and Mafatlal Denim Limited with the Company:

The Scheme of Arrangement and Amalgamation of Mishapar Investments Limited (Wholly Owned Subsidiary Company) and Mafatlal Denim Limited (Promoter Group Company) with the Company has become effective w.e.f. 28th May, 2013.

The Company had issued and allotted 40,99,415 equity shares of face value of ₹ 10/- each fully paid-up to the shareholders of Mafatlal Denim Limited on 30th May, 2013 in ratio of 1:10. The said shares have been admitted to listing and trading at the BSE Ltd. w.e.f. 15th July, 2013 and at the Ahmedabad Stock Exchange Ltd. w.e.f. 18th July, 2013.

## 5. Project Promotion Division:

### NOCIL Limited (NOCIL):

Nocil Limited achieved a growth of 6.5% in its sales volumes as compared to the previous year through sustained marketing efforts and also due to some exits/closures of a few local and international Rubber Chemical players. The gross turnover for the year under review was ₹ 643 crores as compared to ₹ 527 crores in the previous year, representing an increase of about 22%. This increase was possible due to a combination of Rupee depreciation, a change in the product mix alongwith some price corrections which were done to offset some rising input costs. Nocil Limited continued its efforts to improve its price realisations, but the same were severely constrained in this regard on account of the aggressive dumping resorted to by competitors.

The new plant commissioned at Dahej in Gujarat, during the end of previous year, initially witnessed certain teething problems as is expected in any chemical plant of this nature. The capacity utilisation of this plant was impacted by the very high imports of this product into the country due to the aggressive dumping resorted by the competitors. However, with the recent enhancement of anti-dumping and safeguard duties, Nocil Limited is hopeful that capacity utilisation will improve which will have a significant positive impact on the performance of Nocil Limited.

## 6. Corporate Social Responsibility (CSR):

At Mafatlal Industries Ltd., a part of Arvind Mafatlal Group, fulfilling CSR has been a way of life. The Group has been implementing a range of CSR activities over the last 50 years in areas like poverty alleviation, health care, education for young children and women's upliftment in rural India etc. CSR is considered as a humble tribute to what society has given us. We are striving continuously with the sole objective of creating an environment of well-being in all spheres of life.

Pursuant to the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. Shri H.A. Mafatlal is the Chairman of the Committee and Shri V. P. Mafatlal and Shri V. R. Gupte are other Members of the Committee. The Board of Directors have based on the recommendations of the Committee, formulated a CSR Policy.

## 7. Energy, Absorption and Foreign Exchange Earnings and out go:

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

## 8. Particulars of Employees:

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms a part of this report and will be sent on demand to the shareholders. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary.

## 9. Industrial Relations:

The relations between the employees and the Management have remained cordial.

## 10. Directorate:

Pursuant to the provisions of the Companies Act, 2013, Shri H. A. Mafatlal, retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Shri P. J. Desai has resigned from the Directorship of the Company w.e.f. 30th May, 2014. Your Directors place on record its appreciation for the services rendered by Shri P. J. Desai during his association with the Company.

Shri P. R. Amin, Shri N. K. Parikh, Shri V. R. Gupte and Shri P.N. Kapadia, Independent Directors, whose period of Office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 are being appointed as Independent Director for a term of five consecutive years. Notices under Section 160 of the Companies Act, 2013 have been received from Members signifying their intention to propose their candidature as directors of the Company.

In order to comply with the provisions of Section 152(6) of the Companies Act, 2013 requiring not less than two thirds of the total number of Directors (excluding Independent Directors) of the Company to be rotational directors, the Company has re-classified Shri Rajiv Dayal, Managing Director of the Company as a Director liable to retire by rotation.

## 11. Subsidiary Companies:

Repal Apparel Pvt. Ltd., Myrtle Textiles Pvt. Ltd., and Mayflower Textiles Pvt. Ltd. ceased to be subsidiaries of the Company with effect from 25th March, 2014. In view of the above, only Mafatlal Services Ltd. continue to be a subsidiary of the Company.

As per the general exemption granted under Section 212(8) of the Companies Act, 1956, by the Government of India, Ministry of Corporate Affairs, New Delhi vide its General Circular No.2/2011, dated 8th February, 2011, Balance Sheet and Statement of Profit & Loss, Directors' Report and the Auditor's Report of the said Subsidiary company has not been attached with the Balance Sheet of the Company.

However, other details required to be disclosed as per the said General Circular No.2/2011, dated 8th February, 2011, have been given in the Annual Report.

The Annual Accounts and related information of the subsidiary company are open for inspection by any member at the Registered Office of the Company on any working day between 2.00 p.m. and 4.00 p.m. and the Company will make available these documents upon request by any member of the Company who may be interested in obtaining the same.

## 12. Insurance:

The properties and insurable interests of your Company like buildings, plant and machinery, stocks etc. are adequately insured.

## 13. Directors' Responsibility Statement:

As required under the provisions of Section 217 (2AA), of the Companies Act, 1956, your Directors report as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a 'going concern' basis.

## 14. Auditors:

At the Annual General Meeting, Members are requested to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, as Auditors from the conclusion of this meeting till the conclusion of the 103rd Annual General Meeting

and to fix their remuneration. The specific notes forming part of the Accounts referred to in the Auditor's Report are self-explanatory and give complete information.

## 15. Cost Audit:

As per the requirement of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the cost accounts relating to the product "Textiles" is required to be carried out every year. The Company has appointed Cost Auditors viz. Shri I. V. Jagtiani, Mumbai and Shri B. C. Desai, Ahmedabad, to audit the cost accounts for the Financial Year 2013-14 ended 31st March, 2014. Approval from the Central Government has been received for the above referred appointments. The Cost Audit Report in respect of the financial period 2013-14 will be filed on or before due date i.e. 27th September, 2014.

## 16. Corporate Governance & Management Discussion & Analysis Report:

As required under the Listing Agreement with Stock Exchanges, Reports on "Corporate Governance" as well as "Management Discussion and Analysis Report" are attached and form part of the Directors' Report. Further, during the year under review, the Company has complied with all the mandatory requirements of the Corporate Governance. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Listing Agreement is annexed to the Report on Corporate Governance.

## 17. Appreciation:

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the efficient management of your Company. The Directors place on record their appreciation for the continued support of the shareholders of the Company.

For and on behalf of the Board,

Mumbai,

Dated: 30th May, 2014

**H. A. MAFATLAL**

Chairman

## ANNEXURE TO THE DIRECTORS' REPORT -2013-14

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of Particulars in the Board of Directors' Report) Rules, 1988.

### (1) CONSERVATION OF ENERGY:

#### (A) Energy conservation measures taken:

1. Stop motion sensors installed in Speed Frames (5 Nos.)
2. Energy Saving SISTRA fan replaced in total 12 Nos. Ring Frame machine.
3. Optimized H. & V. Plant operation by monitoring department conditions, reducing pump capacity and stopping fans.
4. Installed a new T.F.O. machine (No.2) which has a low motor rating.
5. Total 6 Doubling machines were changed to Tin roll pulley drive conversion from tin rolls to reduce power.
6. Specific steam consumption of processing has been reduced from 33.43 of previous year to 28.48 due to installation of new machines.
7. Specific power consumption of processing has been reduced from 2.59 Units of previous year to 2.44 Units per Kg. of fabric processed due to new machines.
8. Saving done in power at old unit by replacing copper ballast by electronic ballast & lower department overhead lighting.

#### (B) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Installed new machines for better process and low specific energy consumption
  - a. Osthoff Singeing Machine
  - b. Goller Combi Range
  - c. Goller Merceriser Range
  - d. Fongs yarn dyeing machine (5 Nos.)
  - e. Then air flow dyeing machine
  - f. 16 colour MHMS printing machine
  - g. Bruckner 7 field Stenter Machine

- h. Monfort Sanforiser Machine
- i. Thermax FBC thermic fluid heater 2000 BTU

#### (C) Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods:

1. Specific steam consumption of processing has been reduced from 33.43 of previous year to 28.48 due to installation of new machines.
2. Specific power consumption of processing has been reduced from 2.69 Units of previous year to 2.44 Units per Kg. of fabric processed due to new machines.

#### (D) Total energy consumption and energy consumption per unit of production:

The above information is furnished in the prescribed Form A annexed hereto.

### (2) TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in the prescribed Form- B Annexed hereto.

### (3) FOREIGN EXCHANGE EARNING AND OUTGO:

#### (A) Activity relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans:

The efforts are on to enter into new markets of the Middle East, Europe, Africa and the US.

The Company has been successful to some extent in increasing the export of processed fabrics to those countries.

#### (B) Total Foreign Exchange used and earned:

(Amount ₹ in lacs)

	Current Year 2013-14	Previous Year 2012-13
Total Foreign Exchange used	2368.21	5390.26
Total Foreign Exchange earned	10382.10	6551.86

## FORM-A

### TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

#### A. POWER AND FUEL CONSUMPTION

	Current Year 2013-14	Previous Year 2012-13
<b>1 Electricity:</b>		
a) Purchased: Units Lacs KWH	620.98	608.97
Total Cost (Lacs ₹)	3538.37	3720.17
Rate / KWH	5.70	6.11
b) Own Generation:		
i) Through Diesel Generator:		
Units	1512	5670
Unit per litre of diesel oil (KWH)	1.07	1.98
Cost/Unit (Only Diesel) (₹)	49.50	24.63
ii) Through Gas Generator		
Units Lacs KWH	3.56	3.31
Cost/Unit (Only Natural Gas)(₹)	14.18	9.04
iii) Through Steam Turbine/Generator		
Units Lacs KWH	150.94	193.95
Cost/Unit (Only Coal /Lignite/Baggas (₹)	5.33	4.87
<b>2 Coal / Lignite : (Specify quality and where used)</b>		
Steam Coal and Lignite used for Steam Generation in Boilers for Departmental use.		
Quantity (Tonnes)	53844	54952
Total Cost (₹ Lacs)	2193.10	1811.35
Average Rate / Tonne (₹)	4073.04	3296.23
<b>3 Furnace Oil:</b>		
Quantity (KLtrs.)	-	-
Total Amount (₹ in lacs.)	-	-
Average Rate (₹ /Ltr.)	-	-
<b>4 Others / Internal Generation:</b>	-	-

### TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

#### B. CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 2013-14	Previous Year 2012-13
<b>1 Electricity:</b>		
Purchased and Generation	1.96	1.97
KWH/Metre of Grey Production	0.26	0.26
KWH/Metre of Wet Production	0.26	0.26
<b>2 Furnace Oil:</b>		
Litre/KWH of Grey Production	-	-
KWH/Metre ofn Wet Production	-	-
<b>3 Coal / Lignite : (Specify quality - Steam Coal)</b>		
Kgs. of Coal/Metre of Grey Production	0.21	0.58
Kgs. of Coal/Metre of Wet Production	1.26	1.26
(Finished Production)		
<b>4 Others</b>	N.A.	N.A.

## FORM - B

### A) RESEARCH AND DEVELOPMENT:

#### 1. Specific areas in which R. & D. carried out by the Company:

- To improve RFT in Fabric & Yarn dyeing, various lab and bulk trials were conducted RFT improved from 60 to 80%.
- Due to tremendous demand for Linen fabric in Domestic & Export market, Linen Fabrics were developed in solid and yarn dyeds.
- Being an Eco friendly process, Bio scouring was introduced for bleaching at yarn stage. This process also improved handle of yarn.
- To provide speciality products for customers, Prema white fabrics were developed with 25 wash durability.
- Lycra fabric developed in whites, dyed and yarn dyeds.
- Modal and Excel fibers being eco friendly, fabrics developed in prints & solid dyed.
- Laboratory Accreditation certificate from Mark & Spencer and NEXT (UK based customers)
- Renewal of OEKO TEX 100 Certification

#### 2. Benefit derived as a result of the above R. & D:

- New business and new customers
- Improved customer service and customer satisfaction
- Energy conservation
- Quality improvement

#### 3. Future Plan of Action:

- New testing equipments and up-gradation of existing equipments
- To increase printing, solid dyed, yarn dyed output
- Auto colour dispensing unit with cone dyeing machines for pilot lab.
- New CAD system for design development.

#### 4. Expenditure on R. & D.:

(Amount ₹ in lacs)		
	Current Year 2013-14	Previous Year 2012-13
(a) Capital Expenditure	319.71	Nil
(b) Recurring Expenditure	83.04	58.35
(c) Total	402.75	58.35
(d) Total R. & D. Expenditure as a % of Total Turnover	0.43%	0.07%

### B) TECHNOLOGY ABSORPTION AND INNOVATION:

#### 1. Efforts in brief made towards technology absorption, adaptation and innovation:

- A new Air flow Dyeing machine and Fongs Yarn dyed machine were installed. This has resulted in a lower liquid

ratio of 1:4, saving of water, power and effluent load. The quality of product has also improved.

- Goller CBR and Merceriser installed and commissioned successfully, producing 1 lac mtrs. per day.
- Bruckner Stenter installed and in production, considerable saving in energy due to newly developed air circulation system.
- Printing quality and production improved with the installation of new MHM Printing Machine.
- Technorama Lab. Colour Auto Dosing has helped in reducing manual errors in Lab. and contributed in improving RFT in sample development.
- Desk loom production increased due to installation of Automatic Sampling Looms and Warping Machine, improving lead time in sample development.
- New Yarn Singeing Machine has been installed, which has resulted in a reduction of yarn breakages and improvement of loom efficiency by 11%.
- In 2/82 pc, after controlled trials, without affecting the quality of yarn, TM was reduced from 3.64 TM to 3.54 TM, increasing spinning production by 2.8%.

#### 2. Benefits derived as a result of the above efforts:

- Energy saving
- Increase in market share
- New customer developed
- New product developed

#### 3. Information regarding technology imported during last 5 years:

##### (a) Technology Imported:

- 1) Osthoff Singeing Machine, Germany
- 2) Goller Continuous Bleaching Range, Germany
- 3) Golder Mercerizer, Germany
- 4) Then Air Flow Dyeing, Germany
- 5) Fongs Yarn Dyeing, China
- 6) MHM Printing, 16 Colours, Austria
- 7) Bruckner Stenter 7 Chamber, Germany
- 8) Monfort Sanforising, Germany
- 9) Technorama Lab. Auto Dosing, Italy
- 10) Data Color Smart Match Tools, Switzerland
- 11) Automatic Warping Sampling Machine, China
- 12) Automatic Sampling Loom, China

(b) Year of Import 2012-13/13-14

(c) Has technology been fully absorbed : Yes

(d) If not fully absorbed, not taken place, reasons therefore and future plans of action : N.A.



# Management Discussion and Analysis

## Economy review

India's GDP growth for 2013-14 has been about 5% and at the same levels as that of the previous financial year. In the last five years, the growth rate of the economy has been lower than the estimates. The global situation is also muted for the textiles industry. The sharp volatility in global currencies and commodities has also made it challenging for Textile manufacturers.

## Textiles sector review and outlook

According to the Annual Report of the Ministry of Textiles, the sector contributes around 14% to the manufacturing output, 4% to the GDP and 11% to the country's merchandise exports.

During 2013-14, powerloom production was almost flat as compared to 2012-13. However, in 2014-15, the same is expected to grow by 11.5%. The Mills segment production grew at around 5.8% in 2013-14 as compared to 2012-13. The major growth in 2014-15 is expected in the Mills segment at 17.5% as compared to the previous year.

Exports of textiles have increased steadily over the last few years, particularly after 2004, when textiles exports quota stood discontinued. During 2013-14, textile exports are estimated to increase to USD 29.60 bn registering a growth of 12.27%. Further in 2014-15, the exports are expected to grow by 15.75%. The Planning Commission has estimated the overall growth for exports at 15% with an export target of USD 65 bn by the end of the Twelfth Five Year Plan (2012-2017).

The sector is one of the largest employment provider and in order to provide the industry with adequately trained manpower, the Central Government has started various institutes such as NIFT, SASMIRA, etc., for textile specific courses and has also launched Integrated Skill Development Scheme.

The Central Government has also extended the Technology Upgradation Fund Scheme (TUFS) for the Twelfth Five Year Plan. The Planning commission has approved an allocation of ₹ 120 bn under the Scheme for the Twelfth Five Year Plan.

The Government of Gujarat has also revised the Gujarat Textile Policy w.e.f. 25th June, 2013 providing further boost to the textiles industry in the State.

(Source: Ministry of Textiles, Government of India; Working Group of Twelfth Five Year Plan and D&B Research)

## Company Performance Review and Outlook

During the year 2013-14, the Company continued implementation of its business strategy objectives comprising capital investments in contemporary processing equipment and other critical operational areas, across-the-board cost reduction and optimization initiatives, improvement in product mix and attaining synergy on account of the amalgamation concluded in the previous year. During 2013-14, an amount of ₹ 32 crores was spent on capital expenditure in the Nadiad and Navsari factories of the Company. The captive power co-generation plant of 3 MW capacity will be commissioned during 2014-15 and the Company expects to reap benefits of the same during the year.

The Company plans to further undertake capital expenditure of around ₹ 38 crores during 2014-15 in line with its long term objective of modernizing its plants, providing flexibility to the manufacturing team and making the operations efficient and robust.

The Textile Division of the Company has turned the corner and has started generating profits during 2013-14. The division also witnessed substantial increase in production levels during the year. With the installation of new capital equipment and increase in processing capacity the Company expects to gradually and sustainably increase the production levels in 2014-15 also. The captive co-generation plant at Nadiad is expected to be commissioned by mid 2014.

The Denim Division of the Company increased its capacity in 2013-14. Presently, the Indian denim industry is facing a situation of over capacity, which has led to demand and supply mismatch thereby causing pressure on price realizations and volume growth. This coupled with high cotton prices throughout 2013-14 has led to severe erosion of profit margins

in the denim segment. The situation is expected to improve in 2014-15.

The Company plans to expand its marketing presence in export markets and also aims to align its marketing strategy towards having a judicious mix of domestic and export sales and introduce new value added denim fabrics for Indian and global brands.

The Company intends to continue undertaking capital expenditure for steady and sustainable growth of both the textiles and denim division. The capital expenditure and working capital would be funded by a mix of internal accruals and long term borrowings. The Company is in the process of tying up long term funds for capital expenditure which are eligible for the interest subsidy under Central Government's TUFs. Even after the ongoing capital expenditures and resultant borrowing, the Company's debt to equity ratio will be at conservative levels of 0.45.

During the year, several initiatives were taken on the production and marketing front to create a better visibility for the Company's products. The focus has been on increasing volumes, utilizing full capacity, introducing fashionable & premium products and improving product mix in order to maximize profitability. The Company has also launched several new products, strengthened the domestic dealer & distribution network and has created inroads in new overseas markets. Across the country, several dealers - distributor events were organized which enabled the Company show-case its entire range of products at one place, enthuse the marketing and dealer network, improve Brand image and increase turnover.

The Company continues to be the market leader in supply of School Uniform fabrics in India and endeavors to replicate the success of this business in the Middle-East countries through its joint venture, Al Fahim Mafatlal Textile LLC. The Company also launched its Designer Collection of School Uniforms with eco-friendly fibre dyed suiting for the coming season.

The corporate business and institutional wear business also continues to show steady growth. During the year, the Company also launched several new products including a Premium Linen range, Bed & Bath Home Furnishing collection, and innovative white bleached and blended fabrics.

Despite having very good cotton production in 2013-14, the prices of cotton remained at record high levels. It has been observed that a few international markets are building up cotton stocks (especially China), which has resulted in tight

supply position in the rest of the markets. In the last few weeks, there are tentative signs of softening in cotton prices. However, how long the softening continues is to be seen.

## Analysis of our financial results

A summary of the financial highlights of the Company is as mentioned below:

- Total Revenue of ₹ 935.49 crores for 2013-14 as compared to ₹ 840.38 crores for 2012-13, signifying a growth of 11.32% on account of higher production levels.
- Profit before interest, depreciation and tax of ₹ 46.10 crores for 2013-14 as compared to ₹ 89.99 crores for 2012-13.
- Profit after tax of ₹ 23.93 crores for 2013-14 as compared to ₹ 37.16 crores for 2012-13, due to reasons mentioned above in the Company's performance review segment.

## Human resources

Mafatlal Industries values its people talent as a key driver of growth. The Company had 3516 employees as of 31 March 2014, enriched through continuous training and development. Training programs across all employee levels and skill set have been accelerated during the year. In its endeavor to make the organization vibrant, all major rules and policies governing employees have been re-formulated keeping in mind employee satisfaction and best industry practices.

## Internal controls

The Company has an adequate internal audit system commensurate with its size and nature of operations. Regular internal audits and checks are carried out and the management also reviews the internal control systems and procedures to ensure efficient conduct of the business. An independent firm of Chartered Accountants carries out Internal Audit across the organization. The Internal Auditors periodically interact with the Audit Committee of the Board of Directors of the Company to discuss various internal controls / internal audit issues.

## Risk management

At Mafatlal Industries, the objective of risk management is to ensure that it is adequately estimated and controlled to enhance shareholder value. Risk is pertinent to virtually all business activities though in varying degrees and forms. It is the constant endeavor of the Company to identify, assess, prioritise and manage existing as well as emerging risks in a planned and cohesive manner.

# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report for the year ended 31st March, 2014, forms part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

## COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

The system of Corporate Governance especially through the Audit Committee has been followed by the Company for several years, even before the requirement was legislated.

The Company's philosophy of Corporate Governance is intended to bring about –

- Transparency, accountability and integrity in the organization
- Implementation of policies and procedures prescribed by the Company to ensure high ethical standards in all its business activities and responsible and responsive management.

## 1. Board of Directors:

### Composition of the Board

The Board of Directors consisted of nine directors as at the end of the year. The Board comprised of one Executive Promoter

Director, one Non-Executive Promoter Director, one Executive Professional Director, one Non-Executive Professional Director and five Non-Executive Independent Directors. The Board of Directors is headed by Shri H. A. Mafatlal who is the Chairman of the Company. The composition of the Board is in conformity with the requirements of the Listing Agreement with the Stock Exchanges.

All the relevant and necessary information such as Capital Expenditure and Operating Budget, Financial Results, Production, Sales, Exports, Imports, Segment reporting, Cost Audit Reports, Financial Plans are as a matter of routine placed before the Board for their approval / noting.

### Number of Board Meetings held and the dates of the Board Meetings

During the year under review viz. 1st April, 2013 to 31st March, 2014, total eight (8) Meetings of the Board of Directors of the Company were held on 4th April, 2013, 28th May, 2013, 30th May, 2013, 31st July, 2013, 29th October, 2013, 11th December, 2013, 29th January, 2014 and 25th March, 2014. The Company has thus observed the provisions of the Listing Agreement(s), allowing not more than four months gap between two such meetings.

**Attendance of the Directors at the Board Meetings and at the last AGM and Number of other Companies in which the Director is a Director / Committee Member:**

Sr. No.	Names of Directors	Category	No. of Board Meetings attended	Whether last AGM held on 31.7.2013 attended	Other Directorship held (including Private Companies) at the year end	No. of Committee \$ Membership / Chairmanship in other Domestic Companies at the year end	
						As Chairman	As Member
1.	Shri H. A. Mafatlal <sup>++</sup>	Promoter Non-Executive	8	Yes	12*	-	1
2.	Shri V. P. Mafatlal <sup>++</sup>	Promoter Executive	7	Yes	19**	-	1
3.	Shri P. R. Amin	Non-Executive Independent	8	Yes	-	-	-
4.	Shri P. J. Desai	Non-Executive Independent	8	Yes	-	-	-
5.	Shri N. K. Parikh	Non-Executive Independent	8	Yes	-	-	-
6.	Shri V. K. Balasubramanian <sup>+</sup>	Non-Executive Independent	1	No	-	-	-
7.	Shri V. R. Gupte <sup>+++</sup>	Non-Executive Independent	5	Yes	2 <sup>^</sup>	-	1
8.	Shri P. N. Kapadia <sup>+++</sup>	Non-Executive Independent	6	Yes	8 <sup>^^</sup>	2	2
9.	Shri A. K. Srivastava	Professional Non-Executive	8	Yes	1	Nil	1
10.	Shri Rajiv Dayal <sup>++</sup>	Professional Executive	8	Yes	1	Nil	Nil

+ Shri V. K. Balasubramanian ceased to be a Director w.e.f. 31st July, 2013.

++ Shri H. A. Mafatlal ceased to be the Executive Director w.e.f. 28th May, 2013 and V. P. Mafatlal and Shri Rajiv Dayal were appointed as Executive Directors w.e.f. 28th May, 2013.

+++ Shri V. R. Gupte and Shri P. N. Kapadia were appointed as Directors w.e.f. 30th May, 2013.

\$ Under this column, memberships/Chairmanships of Audit Committee and Investors'/Shareholders' Grievance Committee in all Public Limited Companies (excluding Mafatlal Industries Limited), are only considered as required to be disclosed under the amended provisions of Clause 49 of Listing Agreement with the Stock Exchanges.

\* In four Private Limited Companies, one association not carrying on business for profit and one Foreign Company.

\*\* In thirteen Private Limited Companies and 1 Foreign Company

<sup>^</sup> In one Private Limited Company

<sup>^^</sup> In five Private Limited Companies

**Shareholding of Non-Executive Directors as on 31st March, 2014 is as follows:**

Name of the Directors	Number of equity shares
Shri H. A. Mafatlal	8,21,578
Shri P. R. Amin	211
Shri P. J. Desai	Nil
Shri N. K. Parikh	Nil
Shri V. R. Gupte	2
Shri P. N. Kapadia	138
Shri A. K. Srivastava	Nil

## 2. Audit Committee:

At the beginning of year under review, the Audit Committee consisted of four directors viz., Shri P. R. Amin, Shri P. J. Desai, Shri N. K. Parikh and Shri V. K. Balasubramanian. Shri V. K. Balasubramanian ceased to be a Director and Member of the Audit Committee of the Company with effect from 31st July, 2013.

On 31st July, 2013 the Audit Committee was reconstituted and Shri P. R. Amin, Shri N. K. Parikh and Shri V. R. Gupte were appointed as members of the Committee. All members of the

Audit Committee are non-executive independent directors. Shri P. R. Amin, who is a Chartered Accountant, is the Chairman of the Audit Committee and was present at the last Annual General Meeting held on 31st July, 2013.

During the year under review, total six Meetings of the Audit Committee of the Board of Directors of the Company were held on 4th April, 2013, 30th May, 2013, 31st July, 2013, 29th October, 2013, 29th January, 2014 and 25th March, 2014.

The attendance of the members was as follows:

Sr. No.	Date of Audit Committee Meeting.	Shri P. R. Amin	Shri P. J. Desai	Shri N. K. Parikh	Shri V.K. Balasubramanian	Shri V. R. Gupte
1.	4th April, 2013	Yes	Yes	Yes	No	N.A.
2.	30th May, 2013	Yes	Yes	Yes	Yes	N.A.
3.	31st July, 2013	Yes	Yes	Yes	No	N.A.
4.	29th October, 2013	Yes	N.A.	Yes	N.A.	Yes
5.	29th January, 2014	Yes	N.A.	Yes	N.A.	Yes
6.	25th March, 2014	Yes	N.A.	Yes	N.A.	Yes

Yes – attended; No – Not attended.

The terms of reference of the Audit Committee is as mentioned in the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges as amended from time to time. The Statutory Auditors, Internal Auditors, Cost Auditors, Finance / Accounts Heads and Managing Director & Chief Executive Officer usually attend the meetings of the Audit Committee. The Company Secretary of the Company, Shri Rasesh Shah acts as Secretary to the Committee.

## 3. Stakeholders Relationship Committee:

Pursuant to the provisions of the Companies Act, 2013, the Shareholders'/Investors' Grievance Committee has been re-named as Stakeholders Relationship Committee.

On 31st July, 2013 the Shareholders'/ Investors' Grievance Committee was reconstituted and Shri P. N. Kapadia, Shri P. J. Desai and Shri H. A. Mafatlal were appointed as members of the Committee. Shri P. N. Kapadia was appointed as the Chairman of the Committee.

During the year under report, the Committee duly met on 29th January, 2014 which was attended by Shri P. N. Kapadia, Shri P. J. Desai and Shri H. A. Mafatlal. The meetings of the Committee are not regularly held as the Board of Directors of the Company itself reviews the shareholders'/Investors' Grievances, if any, at the end of every quarter.

The terms of reference of the Committee is as mentioned in the listing agreement with the Stock Exchanges including looking into the complaints of the Investors/Shareholders relating to non-receipt of shares after transfer, non receipt of dividends, Annual Reports etc., During the year ended on 31st March, 2014, Shri Rasesh Shah, Company Secretary, was the Compliance Officer.

No. of Complaints received from Shareholders from 1st April, 2013 to 31st March, 2014 comprising of:

Non-receipt of Shares after transfer	:	1
Non-receipt of Dividend warrants (New)	:	2
Non-receipt of Annual Reports	:	8
Non-receipt of demat confirmation	:	-
<b>Total</b>	:	<b>11</b>
No. of Complaints resolved from 1-04-2013 to 31-03-2014	:	11
No. of Complaints pending as on 31-03-2014	:	NIL

## 4. Nomination And Remuneration Committee:

Pursuant to the provisions of the Companies Act 2013, the Remuneration Committee has been re-named as Nomination And Remuneration Committee.

At the beginning of year under review, the Remuneration Committee consisted of three directors viz., Shri P. R. Amin,

Shri P. J. Desai and Shri N. K. Parikh. Shri P. R. Amin was the Chairman of the Remuneration Committee.

On 31st July, 2013 the Remuneration Committee was reconstituted and Shri V. R. Gupte, Shri P. R. Amin and Shri P. N. Kapadia were appointed as members of the Committee. Shri V. R. Gupte was appointed as the Chairman of the Committee.

All members of the Remuneration Committee are Non-Executive Independent Directors.

During the year under review, two Meetings of the Nomination And Remuneration Committee of the Board of Directors of the Company were held on 28th May, 2013 and 30th May, 2014.

The attendance of the members was as follows:

Sr. No.	Date of Nomination And Remuneration Committee Meeting.	Shri P. R. Amin	Shri P. J. Desai	Shri N. K. Parikh
1.	28th May, 2013	Yes	Yes	Yes
2.	30th May, 2013	Yes	Yes	Yes

Terms of Reference: The Nomination And Remuneration Committee has been constituted to review and recommend to the Board of Directors of the Company for approval, remuneration of Executive Director (s) based on their performance and defined assessment criteria.

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee on 25th March, 2014. Shri H.A. Mafatlal is the Chairman of the Committee and Shri V.R. Gupte and Shri V.P. Mafatlal are the other members of the Committee. The Committee is inter alia authorized to form and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities and monitoring the CSR Policy.

## 6. Remuneration of Directors

### Compensation / Remuneration of Non-Executive Directors

The Company paid sitting fees to each Non-Executive Director for attending the meetings of the Board of Directors and for Committees thereof @ ₹ 10,000/- per meeting. In addition the Company paid travelling / conveyance expenses and diem allowances to the outstation directors. The Non-Executive Directors are also paid commission within the limits prescribed by the members of the Company.

Other service contracts, notice period, severance fees etc. relating to Directors

As on 31st March, 2014, there are no contracts / agreements except letters of appointment issued to Shri V. P. Mafatlal, Executive Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer for their appointments for a period of 5 years w.e.f. 28th May, 2013.

(₹ In lacs)					
Sr. No.	Names of Directors	Salary and Perquisites	Commission*	Sitting Fees	Total
1.	Shri H. A. Mafatlal ^	-	1.87	0.70	2.57
2.	Shri Vishad P. Mafatlal #	114.79	-	0.10	114.89
3.	Shri Rajiv Dayal #	117.28	-	0.10	117.38
4.	Shri P. R. Amin	-	2.24	1.60	3.84
5.	Shri P. J. Desai	-	2.24	1.40	3.64
6.	Shri N. K. Parikh	-	2.24	1.60	3.84
7.	Shri V. K. Balasubramanian	-	0.74	0.20	0.94
8.	Shri V. R. Gupte	-	1.87	0.80	2.67
9.	Shri P. N. Kapadia	-	1.87	0.70	2.57
10.	Shri A. K. Srivastava	-	2.24	0.80	3.04

\* Payable in financial year 2014-15

^ Shri H. A. Mafatlal was the Managing Director of the Company up to 28th May, 2013. He has not been paid any remuneration since his appointment was without remuneration till such date.

# Shri V. P. Mafatlal and Shri Rajiv Dayal were the Executive Directors of Mafatlal Denim Limited upto 28th May, 2013. After the coming into effect of the Scheme of Amalgamation of Mafatlal Denim Limited, they were appointed as Executive Directors of the Company w.e.f. 28th May, 2013 with continuity of service and were not paid any sitting fees for attending meetings held on or after that date.

## 7. Subsidiary Companies:

The Minutes of the Board Meetings as well as statements of all significant transactions and investments made by the unlisted subsidiary companies are placed before the Board of Directors.

The Audit Committee also reviews the financial statements, in particular, the investments made by the subsidiary companies.

The management of the subsidiary companies draws the attention of the Board of Directors of the Company, to a statement of all significant transactions and arrangements entered into by the subsidiary Companies.

## 8. Disclosure:

- (i) Disclosure on materially significant related party transactions which have taken place during the year ended 31st March, 2014 that may have potential conflict with the interest of the Company at large:

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No. 31.5 in "Notes forming part of financial statements" annexed to the financial statements for the year.

The details of the related party transactions are placed before the Audit Committee on quarterly basis.

- (ii) Details of Non-Compliance by the Company, penalties, strictures imposed by Stock Exchange / SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years:

The Adjudicating Officer, Securities and Exchange Board of India has passed an order on 24th March, 2014 under Section 151 of Securities and Exchange Board of India Act, 1992 read with Rule 5(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 against the Company for violation of Regulations 8(1) and 8(2) of (Substantial Acquisition of Shares and Takeover) Regulations, 1997 with regard to delay in making the yearly disclosures to Mafatlal Finance Company Limited (MFCL) in its capacity as promoter of MFCL and has levied a penalty of ₹ 10 lacs. The Company has filed an appeal with the Securities Appellate Tribunal against the said Order and the outcome of the same is awaited.

- (iii) Though there was no formal Whistle Blower Policy as on 31st March, 2014, the Company took cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company. The Board has approved the Whistle Blower Policy at its meeting held on 30th May, 2014.

- (iv) The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures including risk mitigation mechanisms, which are periodically reviewed and reported to the Board of Directors by senior executives.

- (v) Disclosure of Accounting Treatment different from Accounting Standard in respect of rent of certain ex-tenants which has not been accounted, on legal advice.

Note No. 30.5 forming part of the financial statements, are self-explanatory and give complete information in this regard.

## 9. Code of Conduct for Board Members and Senior Management:

The Board of Directors has at their meeting held on 27th January, 2006, laid down the Code of Conduct for all Board Members and Members of the Senior Management of the Company. The said Code is also placed on the website of the Company viz. [www.mafatlals.com](http://www.mafatlals.com) The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director of the Company has given declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The declaration by the Managing Director & Chief Executive Officer to that effect forms part of this Report.

## 10. MD/CEO and CFO Certification:

The Managing Director & Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director & Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial result to the Board in terms of Clause 41.



## 11. General Body Meetings:

### (i) Location and time where last three AGMs were held:

AGM	Location	Date	Time	No. of Special Resolutions passed
97th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	23rd September, 2011	10.30 a.m.	1
98th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	19th November, 2012	10.30 a.m.	-
99th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	31st July, 2013	10.30 a.m.	3

Whether special resolutions:

- a) Were put through postal ballot last year :No  
 Details of voting pattern :N.A.  
 Person who conducted the postal ballot exercise :N.A.
- b) Are proposed to be conducted through postal ballot this year :N.A.  
 Procedure for postal ballot :N.A.

## 12. Means of communication:

The Financial Results of the Company are reported to as mentioned below:

- Half year report sent to Shareholders :No
- Quarterly Results normally published in which newspaper :In English-The Economic Times  
 In Gujarati- The Economic Times
- Any website :www.mafatlals.com
- Whether it also displays official news release and the presentation made to institutional investors or to the Analysts :Yes
- Whether Management Discussion & Analysis Report is a part of Annual Report :Yes

## 13. General Shareholders Information:

### A) 100th Annual General Meeting

- Date : 5th August, 2014  
 Time : 10.30 a.m.  
 Venue : Thakorebhai Desai Hall,  
 Nr. Law Garden, Ellisbridge,  
 Ahmedabad - 380006.

### B) Financial Calendar

- 1st April, 2014 to 31st March, 2015
- First Quarterly Results : By 14th August, 2014  
 Second Quarterly Results : By 15th November, 2014 (Half yearly)  
 Third Quarterly Results : By 14th February, 2015  
 Fourth Quarter / Audited : By 15th / 30th May, 2015 yearly Results

### C) Date of Book Closure

- : Monday, 28th July, 2014 to Friday, 1st August, 2014 (both days inclusive)

### D) Dividend Payment date

- : 11th August, 2014

### E) Listing

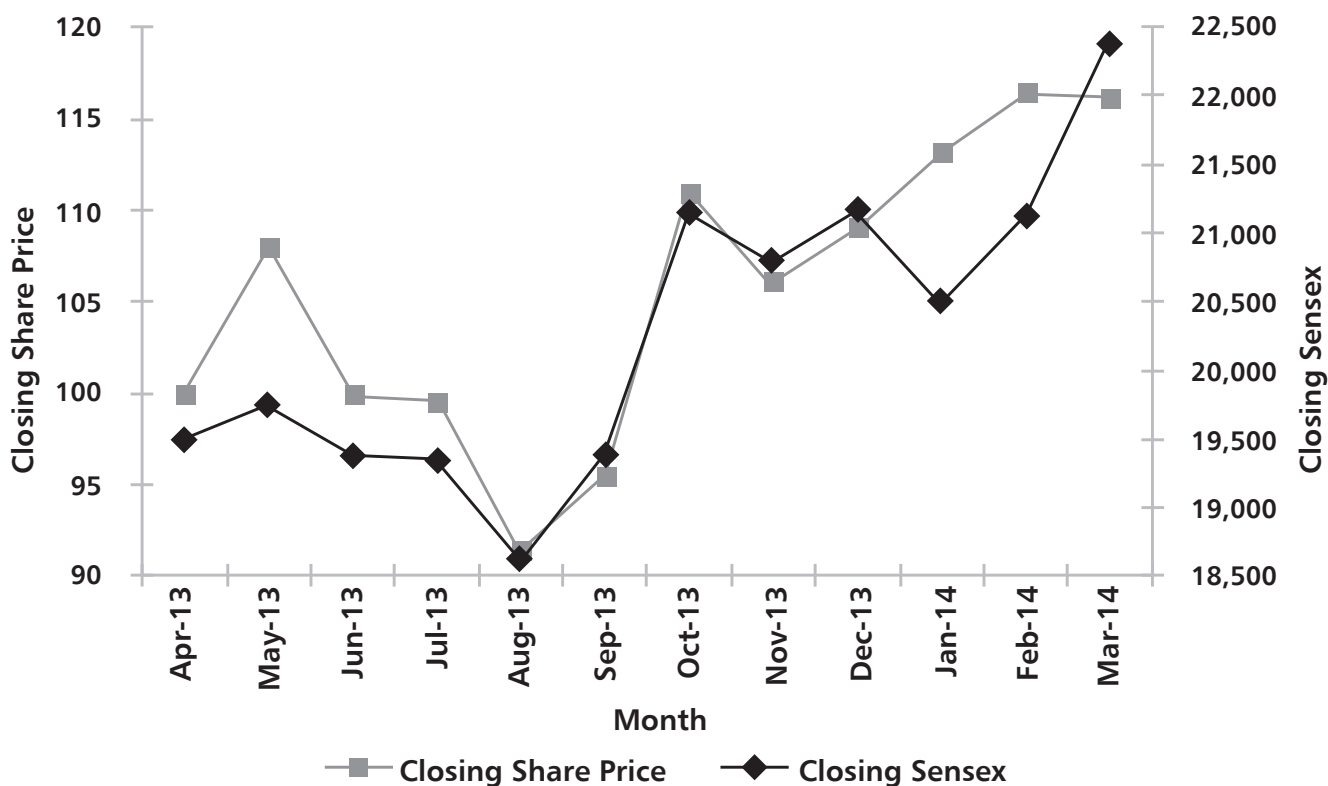
- : BSE Limited (BSE)  
 (Security Code: 500264)  
 Ahmedabad Stock Exchange Limited (ASE)  
 (Security Code: 34100)

## F) Monthly high & low of the shares in the last financial year:

Market Price of the Equity Shares of ₹ 10/- each of the Company on BSE are as under:

Month	Highest (₹)	Lowest (₹)	BSE Sensex Highest	BSE Sensex Lowest	No. of Trades
April, 2013	109.00	88.00	19,622.68	18,144.22	219
May, 2013	117.50	89.05	20,443.62	19,451.26	190
June, 2013	125.00	91.25	19,860.19	18,467.16	220
July, 2013	110.90	91.30	20,351.06	19,126.82	331
August, 2013	103.90	81.10	19,569.20	17,448.71	198
September, 2013	113.00	92.00	20,739.69	18,166.17	250
October, 2013	111.00	89.90	21,205.44	19,264.72	417
November, 2013	121.50	103.50	21,321.53	20,137.67	320
December, 2013	114.90	101.50	21,483.74	20,568.70	323
January, 2014	166.90	108.00	21,409.66	20,343.78	7048
February, 2014	126.90	110.25	21,140.51	19,963.12	2925
March, 2014	125.60	106.00	22,467.21	20,920.98	2782

## Performance in comparison to broad based indices:



## Company Share Price and BSE Sensex

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
BSE Sensex	19,504	19,760	19,396	19,346	18,620	19,380	21,165	20,792	21,171	20,514	21,120	22,386
MIL Share Price	100.00	108.00	100.00	99.50	91.45	95.60	111.00	106.20	109.00	113.15	116.40	116.20

<b>G) Registrar &amp; Share Transfer Agents :</b>	M/s. Sharepro Services (India) Pvt. Ltd.
	Samhita Warehousing Complex, 2nd Floor,
	Gala No.52 to 56, Bldg. No.13A-B,
	Near Sakinaka Telephone Exchange,
	Andheri-Kurla Road, Sakinaka,
	Mumbai- 400 072.
	Tel: 91 22 67720300, 67720400
	Fax:91 022 28591568/28508927
	Email: sharepro@shareproservices.com

### Investor Relations Centre

Sharepro Services (India) Pvt. Ltd.

1. 912 Raheja Centre	2. Devnandan Mega Mall
Free Press Journal Road	Office No.416-420 4th Floor
Nariman Point	Opp. Sanyas Ashram
Mumbai 400021	Ashram Road
Tel: 91 22 6613 4700	Ahmedabad 380006
Fax: 91 22 2282 5484	Tel: 079 26582381 / 84

### H) Share Transfer System:

The Registrar & Share Transfer Agents of the Company viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai are undertaking all the shares related work. The Share Transfer Committee of the Company is comprised of Shri H. A. Mafatlal, Shri P. R. Amin and Shri P. J. Desai. In order to expedite the share transfer, transmission, Split, Consolidation, Demat, Remat etc, the necessary statements for approval relating thereto are regularly approved and signed by two Directors (who are members of the Share Transfer Committee) and thereafter the same are placed before the meeting of the Board of Directors of the Company for their noting. The Share transfers are registered and returned within 15 days from the date of receipt if relevant documents are complete in all respects. The shareholders' / investors' grievances are also taken up by our R&T Agent.

### I) Distribution of shareholding as on 31.03.2014:

Description (Slab)	No. of Share Holders		Holdings	
	Folios	%	No of shares	%
Upto 50	108328	96.99	522073	3.75
51-500	2791	2.50	458492	3.30
501-1000	274	0.24	204772	1.47
1001-2000	113	0.10	167999	1.21
2001-3000	36	0.03	90928	0.65
3001-4000	20	0.02	68067	0.49
4001-5000	32	0.03	150327	1.08
5001-10000	29	0.03	197063	1.42
10001-Above	66	0.06	12053165	86.63
<b>Total</b>	<b>111689</b>	<b>100.00</b>	<b>13912886</b>	<b>100.00</b>

### Shareholding pattern as on 31.03.2014

Sr. No.	Category	No. of shares held	%Holding
1	Promoters Holding	10419955	74.89
2	Mutual Fund	9115	0.07
3	Banks, Financial Institutions, Insurance Companies, UTI, Central / State Govt Institutions	364471	2.62
4	FII (Foreign Institutional Investors)	0	0.00
5	Private Corporate Bodies	396845	2.85
6	Indian Public / Trust	2605517	18.73
7	NRI / OCBs / Foreign National	116983	0.84
8	Any Other	---	--
	<b>Total</b>	<b>13912886</b>	<b>100.00</b>

#### J) Dematerialisation details:

The Shares of the Company are under Compulsory Trading in demat form. The demat code of the Equity Shares of the Company is INE270B01027. As on 31st March, 2014 18,390 shareholders holding 1,33,92,223 Equity Shares have dematerialized their shares which constitutes 96.26% of the total Equity Share Capital of the Company.

#### K) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable

#### L) Plants / Factories:

**Textiles Units** : (Nadiad and Navsari Units are operational)

1) Nadiad Unit : Kapadvanj Road, Nadiad 387 001.

2) Navsari Unit : Vejalpore Road, Navsari 396 445

3) Mazgaon Unit : Rambhau Bhogale Marg, Mumbai 400 010.

**Denim Unit** : Vejalpore Road, Navsari 396 445.

#### M) Address for correspondence:

**Mafatlal Industries Limited**

##### a) Registered Office:

Asarwa Road,  
Ahmedabad 380 016.  
Tel: 079 22123944-45  
Fax: 079 22123045  
Email: ahmedabad@mafatlals.com

##### b) Corporate Office:

Kaledonia Building, Office No.3, 6th floor  
Opp. Vijay Nagar Society  
Sahar Road, Andheri (E)  
Mumbai 400069  
Tel: 91 22 6771 3800  
Fax: 91 22 6771 3924

#### O) Corporate Identity Number:

L17110GJ1913PLC000035

The Company has complied with all the mandatory requirements of Clause 49 and has also complied with one of the non-mandatory requirement viz. setting up of Nomination and Remuneration Committee.

# Annexure to Corporate Governance Report

## Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Mumbai,

**Rajiv Dayal**

Dated: 30th May, 2014

Managing Director & Chief Executive Officer

## AUDITOR'S CERTIFICATE

To,

**THE MEMBERS OF  
MAFATLAL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited ("the Company") for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**R. SALIVATI**  
Partner  
(Membership No. 34004)

MUMBAI, 30th May, 2014

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAFATLAL INDUSTRIES LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **MAFATLAL INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Ahmedabad and Nadiad.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

*Attention is invited to Note no.30.5, regarding non – accounting of income from rent and other charges aggregating to ₹ 83.61 lacs upto 31st March, 2014 (₹ 186.29 lacs upto 31st March, 2013) 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' referred to in Section 211(3C) of the Act; if the same is considered, rental income from investment property would be higher by aggregate amount of ₹ 83.61 lacs (aggregate upto 31st March 2013, ₹ 186.29 lacs), income tax, net profit and shareholder's funds would have been increased by ₹ 17.53 lacs, ₹ 66.08 lacs and by ₹ 66.08 lacs respectively (previous year ended 31st March 2013: increased by ₹ 60.45 lacs, ₹ 125.84 lacs and by ₹ 125.84 lacs respectively). This matter was also qualified in our report on the financial statements for the year ended 31st March 2013.*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Emphasis of Matter

We draw attention to Note no.30.13 to the financial statements regarding managerial remuneration for which the Central Government's approval is required.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the Ahmedabad and Nadiad branches audited by the branch auditors appointed under Section 228 of the Act have been forwarded to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

(e) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

(f) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

(R. Salivati)  
(Partner)  
(Membership No. 34004)

MUMBAI, 30th May, 2014



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- |  |   |
|--|---|
| <p>(i) Having regard to the nature of the Company's business/ activities/results during the year, clauses (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable.</p> <p>(ii) In respect of its fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.</p> <p>(iii) In respect of its inventories:</p> <p>(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.</p> <p>(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.</p> <p>(iv) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.</p> <p>In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:</p> | <p>(a) The Company has granted loans aggregating ₹ 25.00 lacs to one party during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ 1,113.08 lacs (five parties) and the maximum amount involved during the year was ₹ 1,187.46 lacs (six parties).</p> <p>(b) The rate of interest and other terms and conditions of such loans are, in our opinion, <i>prima facie</i> not prejudicial to the interest of the Company.</p> <p>(c) The receipts of principal amounts and interest have been as per stipulation.</p> <p>(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.</p> <p>(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:</p> <p>(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.</p> <p>(b) Where each of such transaction (excluding loans reported under paragraph (iv) above), is in excess of ₹ 5 lacs in respect of any party, having regard to our comments in paragraph (v) above, the transactions have been made at prices which are <i>prima facie</i> reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.</p> |
|--|---|

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income Tax, Wealth Tax, Customs Duty, Cess and other material

statutory dues applicable to it with the appropriate authorities and has not been regular in depositing interest on Provident Fund, interest on Employees' State Insurance, Value Added Tax, Excise Duty, Gratuity, Interest on Water charges and Service Tax.

- (b) There were no undisputed amounts payable in respect of Investor Education and Protection Fund, Income Tax, Wealth Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable. As at the year end, the arrears of statutory dues outstanding for a period of more than six months aggregate to ₹ 68.29 lacs in respect of interest on Provident Fund, ₹ 85.66 lacs in respect of interest on Employees' State Insurance Dues, ₹ 0.36 lacs in respect of Value Added Tax (including interest), ₹ 3.34 lacs in respect of Excise Duty, ₹ 731.34 lacs in respect of Gratuity and ₹ 769.02 lacs in respect of interest on Water Charges.
- (c) Details of dues of Excise Duty, Customs Duty, Labour dues, Sales Tax, Property Tax, Income Tax, Service Tax and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount involved (₹ in lacs)
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	1989-90 to 2003-04	251.80
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2006-07 to 2010-11	1.42
Central Excise Act, 1944	Excise Duty	Commissioner	1989-90 to 2003-04	2,224.25
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	1989-90 to 2003-04	54.92
Central Excise Act, 1944	Excise Duty	CESTAT	1989-90 to 2003-04	54.10
Central Excise Act, 1944	Excise Duty	High Court	1989-90 to 2003-04	14.99
Central Excise Act, 1944	Excise Duty	Supreme Court	1989-90 to 2003-04	13.42
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	2007-08 to 2009-10	2,960.55
Customs Act, 1962	Custom Duty	Joint Director General of Foreign Trade	1989-90 to 1999-00	4.79
Bombay Industrial Relations Act, 1946	Labour Dues	Labour Court	1993 to 2008	1,172.08
Maharashtra Value Added Tax	Sales Tax (including Interest of ₹ 70.55 lacs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	90.94
Central Sales Tax Act, 1956	Sales Tax (including Interest of ₹ 15.35 lacs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	21.74

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount involved (₹ in lacs)
Mumbai Municipal Corporation Act, 1988	Property Tax (Refer Note no. 30.1(a)(ix))	Assessor and Collector (City), Assessment and Collection Department	2009-2014	4,266.34
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Years 1997-98 to 1998-99, 2002-03 to 2004-05, 2006-07, 2009-10 and 2011-12	458.11
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Year 2003-04, 2006-07 and 2007-08	177.46
Service Tax Rules	Service Tax	CESTAT (Ahmedabad)	1997-99	0.70

- (xi) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (xiii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company. (Refer Note no. 30.1(b) on guarantee given for a subsidiary).
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been

applied by the Company during the year for the purposes for which they were obtained.

- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(R. Salivati)  
(Partner)  
(Membership No. 34004)

MUMBAI, 30th May, 2014

## Balance Sheet as at 31st March, 2014

(₹ in lacs)

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,391.22	4,391.22
(b) Reserves and surplus	4	33,330.28	31,425.23
		<b>34,721.50</b>	<b>35,816.45</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	3,846.29	5,303.04
(b) Deferred tax liabilities (net)	6	255.00	425.00
(c) Other Long term liabilities	7	262.28	207.51
(d) Long-term provisions	8	939.38	1,105.19
		<b>5,302.95</b>	<b>7,040.74</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	9	6,725.52	3,694.00
(b) Trade payables	10	12,797.99	10,142.62
(c) Other current liabilities	11	4,416.57	4,730.79
(d) Short-term provisions	12	1,557.05	1,795.24
		<b>25,497.13</b>	<b>20,362.65</b>
<b>Total</b>		<b>65,521.58</b>	<b>63,219.84</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13(a)	15,703.82	9,309.59
(ii) Intangible assets	13(b)	110.32	8.08
(iii) Capital work-in-progress		1,459.51	6,248.53
(iv) Intangible assets under development		-	81.84
		<b>17,273.65</b>	<b>15,648.04</b>
(b) Non-current investments	14	4,865.37	4,871.58
(c) Long-term loans and advances	15	4,254.39	4,173.34
(d) Other non-current assets	16	603.95	69.34
		<b>26,997.36</b>	<b>24,762.30</b>
<b>2 Current assets</b>			
(a) Inventories	17	12,369.43	10,663.20
(b) Trade receivables	18	13,854.90	12,216.63
(c) Cash and bank balances	19	10,182.24	14,140.27
(d) Short-term loans and advances	20	1,686.21	1,298.55
(e) Other current assets	21	431.44	138.89
		<b>38,524.22</b>	<b>38,457.54</b>
<b>Total</b>		<b>65,521.58</b>	<b>63,219.84</b>
<b>Significant accounting policies</b>	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
**V. P. Mafatlal**  
Vice Chairman

**Rajiv Dayal**  
Managing Director &  
Chief Executive Officer

**P. R. Amin**  
**P. J. Desai**  
**N. K. Parikh**  
**A. K. Srivastava**  
**V. R. Gupta**  
**P. N. Kapadia**

Directors

**(R. SALIVATI)**  
Partner

**Rasesh Shah**  
Company Secretary

Mumbai, Dated:30th May, 2014

Mumbai, Dated:30th May, 2014

**Statement of Profit and Loss** for the year ended 31st March, 2014

(₹ in lacs)			
	Note No.	Current year	Previous year
1 Revenue from operations	22	91,772.63	79,749.07
2 Other income	23	1,776.49	4,289.06
<b>3 Total revenue (1 + 2)</b>		<b>93,549.12</b>	<b>84,038.13</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	24(a)	26,489.88	20,269.64
(b) Purchases of stock-in-trade (Trading Activity)	24(b)	33,611.11	29,567.17
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24(c)	(2,668.17)	(2,571.68)
(d) Employee benefits expense (Net)	25	8,105.70	7,486.13
(e) Finance costs (Net)	26	1,489.45	3,199.92
(f) Depreciation and amortization expense	27	1,834.60	1,444.05
(g) Other expenses	28	23,400.15	20,287.82
<b>Total expenses</b>		<b>92,262.72</b>	<b>79,683.05</b>
<b>5 Profit before exceptional items and tax (3 - 4)</b>		<b>1,286.40</b>	<b>4,355.08</b>
<b>6 Exceptional items</b>	29		
(a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.		-	3,931.71
Less: Adjusted from Securities Premium Account (Refer Note no. 30.3)		-	(3,931.71)
		-	-
(b) Other Exceptional items		736.77	697.74
		736.77	697.74
<b>7 Profit before tax (5+6)</b>		<b>2,023.17</b>	<b>5,052.82</b>
<b>8 Tax (expense) / benefit :</b>			
(a) Current tax expense		(356.00)	(825.00)
(b) Less: MAT credit		356.00	-
(c) Excess/ (Short) provision for tax relating to prior years		200.21	(86.89)
(d) Net Current tax benefit/ (expense) (a+b+c)		200.21	(911.89)
(e) Deferred tax credit/ (charge)		170.00	(425.00)
<b>Net tax benefit/ (expense) (d+e)</b>		<b>370.21</b>	<b>(1,336.89)</b>
<b>9 Profit for the year (7+8)</b>		<b>2,393.38</b>	<b>3,715.93</b>
<b>10 Earnings per share (on face value of ₹ 10/- each) - (Refer Note no. 31.2)</b>			
(a) Basic		17.20	26.71
(b) Diluted		17.20	26.71
<b>Significant accounting policies</b>	2		
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached.  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
**V. P. Mafatlal**  
Vice Chairman

**Rajiv Dayal**  
Managing Director &  
Chief Executive Officer

**P. R. Amin**  
**P. J. Desai**  
**N. K. Parikh**  
**A. K. Srivastava**  
**V. R. Gupte**  
**P. N. Kapadia**

Directors

**(R. SALIVATI)**  
Partner

**Rasesh Shah**  
Company Secretary

Mumbai, Dated: 30th May, 2014

Mumbai, Dated: 30th May, 2014

## **Cash Flow Statement** for the year ended 31st March, 2014

(₹ in lacs)

	For the Year ended 31st March 2014	For the Year ended 31st March 2013
<b>A. Cash flow from operating activities</b>		
Net Profit after exceptional items and before tax as per the Statement of Profit and Loss	2,023.17	5,052.82
Adjustments for,		
Depreciation and amortization expense	1,834.60	1,444.05
Profit on sale of Non Current investments - Investment Property - Exceptional Items	(731.15)	(701.08)
Profit on sale/disposal of fixed assets (Including - Exceptional Item ₹ 5.62 lacs (Previous Year ₹ 363.21 lacs)	(15.29)	(429.67)
Finance costs on Borrowings	1,521.15	2,278.83
Finance costs on Borrowings TUF Income	(243.13)	(287.83)
Finance Cost on other than Borrowings	211.43	1,208.92
Interest income	(1,053.66)	(1,535.74)
Dividend income	(193.29)	(303.11)
Rental Income on Investment Properties	(276.13)	(222.67)
Profit on sale of long term Investments- (including ₹ 0.05 lac (Previous year ₹ 0.99 lac) on sale of Subsidiaries)	(1.10)	(67.45)
Loss on sale of fixed assets sold/scrapped / written off	5.74	33.22
Liabilities/ Provisions no longer required	(258.75)	(675.96)
Debit balances in creditors account written off	31.64	4.89
Bad trade and other receivables/ Loans and advances written off (net)	7.87	76.88
Provision for doubtful debts/ advances	14.47	32.84
Net unrealised exchange (gain)/ loss	(119.56)	(255.86)
<b>Operating profit before working capital changes</b>	<b>2,758.01</b>	<b>5,653.08</b>
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,706.23)	(2,132.49)
Trade receivables	(1,530.55)	(3,243.78)
Short term Loans and advances	(398.16)	2,378.92
Long term loans and advances	413.86	(800.37)
Other Current Assets	(292.55)	12.00
Other non current assets	(532.61)	(45.39)
<i>Adjustments for increase / ( decrease ) in operating liabilities:</i>		
Short Term Provisions	428.37	808.99
Long Term Provisions	(165.81)	103.92
Interest accrued and due on other than borrowings	(715.69)	52.06
Other Current Liabilities	522.76	(1,515.77)
Other Long Term Liabilities	54.77	354.09
Trade and other payables	2,882.48	1,548.15
	<b>(1,039.36)</b>	<b>(2,479.68)</b>
<b>Cash generated from Operations</b>	<b>1,718.65</b>	<b>3,173.40</b>
Net income tax (paid) / refunds	(517.61)	(1,081.39)
<b>Net Cash generated from Operating activities</b>	<b>1,201.04</b>	<b>2,092.01</b>

**Cash Flow Statement** for the year ended 31st March, 2014

(₹ in lacs)

	For the Year ended 31st March 2014	For the Year ended 31st March 2013
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(3,593.66)	(7,096.78)
Sale of Fixed Assets	26.10	460.51
Sale of Non Current Investments - Sale of Investment Property	735.98	704.35
Sale of Non Current Investments - Other than Investment Properties	-	500.67
Purchase of Long Term Investments in a Joint Venture	-	(22.73)
Dividend income from long term investments	193.29	303.11
Rental Income on Investment Properties	276.13	222.67
Interest Income	1,051.66	1,542.26
Other Bank balances (Refer Note below) not considered as Cash and Cash Equivalents	(3,795.39)	4,578.74
Balances with Banks in Earmarked accounts (Other Non Current Assets)	-	-
Sale of long term Investments (including ₹ 0.05 lac (Previous year ₹ 0.99 lac) on sale of Subsidiaries)	1.10	1.00
Net cash (used in) / generated from investing activities	<b>(5,104.80)</b>	<b>1,193.80</b>
<b>C. Cash flow from financing activities</b>		
Redemption of Preference Shares (Refer Note 3(b)(ii))	(3,000.00)	-
Finance Costs	(1,791.38)	(3,102.08)
Proceeds from Short Term Borrowings	3,031.52	1,232.07
Repayments of Long Term Borrowings	(1,284.84)	(2,953.61)
Dividend Paid	(686.74)	-
Tax on Dividend	(118.22)	-
Net cash (used in) financing activities	<b>(3,849.66)</b>	<b>(4,823.62)</b>
Net (decrease) in cash and cash equivalents	<b>(7,753.42)</b>	<b>(1,537.81)</b>
Cash and cash equivalents at the beginning of the year	8,410.26	8,620.08
Add: Pursuant to Scheme of Amalgamation (Refer Note No.30.3)	-	1,327.99
Cash and cash equivalents at the end of the year ( Note no. 19 )	<b>656.84</b>	<b>8,410.26</b>

**Note:**

From the previous year, the components of Cash and Cash equivalents excluded deposits with original maturity more than 3 months and earmarked balances. Consequently, cash flow from investing activities in the previous year was higher by ₹ 4,578.74 lacs.

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
**V. P. Mafatlal**  
Vice Chairman

**Rajiv Dayal**  
Managing Director &  
Chief Executive Officer

**P. R. Amin**  
**P. J. Desai**  
**N. K. Parikh**  
**A. K. Srivastava**  
**V. R. Gupte**  
**P. N. Kapadia**

Directors

(R. SALIVATI)  
Partner

**Rasesh Shah**  
Company Secretary

Mumbai, Dated:30th May, 2014

Mumbai, Dated:30th May, 2014



## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 1. Corporate Information

Mafatlal Industries Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Mumbai and Ahmedabad stock exchanges. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing and trading, having its units at Nadiad and Navsari.

### 2. Significant Accounting Policies

#### a. Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### c. Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Stores, spares and raw materials - Weighted average

Process stock and finished goods - Material cost plus appropriate value of overheads

Trading goods – Weighted average cost

Others (land) - At cost on conversion to stock-in trade

#### d. Depreciation on tangible fixed assets

Depreciation is provided using the Straight Line Method, pro-rata to the period of use, as per the useful life of the assets estimated by the management or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Non-Factory Buildings	1.63%	Factory Building	3.34%
Plant & Equipment	10.34%	Computers	16.21%
Furniture & Fixtures	6.33%	Office Equipments	4.75%
Vehicles	9.50%		

Individual assets acquired for less than ₹ 5,000/- are entirely depreciated in the year of acquisition.

#### e. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its' determination or realization exists.

#### f. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.



## Notes forming part of Financial Statements for the year ended 31st March, 2014

### g. Tangible fixed assets

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

#### Capital Work-in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

### h. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains/ losses on settlement of transactions arising on cancellation/ renewal of forward exchange contracts are recognized as income or expense.

### i. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Tangible Assets.

### j. Employee benefits

- a. The Company contributes towards Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes/ rules.
- b. Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year / period end.

### k. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### l. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

### m. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient



## Notes forming part of Financial Statements for the year ended 31st March, 2014

future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**n. Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

**o. Impairment of tangible assets**

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**p. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statement.

**q. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

**r. Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**s. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

**3. SHARE CAPITAL**

	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	14,245,081	1,424.51	10,146,054	1,014.61
Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	60,000,000	6,000.00
Unclassified Shares of ₹ 10 each	85,754,919	8,575.49	29,853,946	2,985.39
<b>Total</b>		<b>10,000.00</b>		<b>10,000.00</b>
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	13,912,886	1,391.28	10,146,054	1,014.61
Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	30,000,000	3,000.00
		<b>1,391.28</b>		<b>4,014.61</b>
<b>(c) Subscribed and fully paid up</b>				
(i) Equity shares of ₹ 10/- each with voting rights (net of 389 Equity shares of ₹ 10/- each cancelled during the previous year pursuant to scheme of Amalgamation (Refer Note No. 30.3)/other adjustment)	13,912,886	1,391.28	9,813,471	981.34
Less: Allotment money/ Calls in arrears		0.06		0.06
		1,391.22		981.28
(ii) Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	30,000,000	3,000.00
		<b>1,391.22</b>		<b>3,981.28</b>
<b>(d) Equity Share Capital Suspense account</b>	-	-	4,099,415	409.94
(Equity shares of ₹ 10/- each to be issued as fully paid-up pursuant to merger of Mafatlal Denim Limited with the Company under the scheme of Amalgamation without the payment being received in cash) (Refer Note no.30.3)				
<b>Total</b>		<b>1,391.22</b>		<b>4,391.22</b>

**a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year (excluding Equity Share Capital Suspense):**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
<b>(i) Equity shares with voting rights</b>				
Opening balance	9,813,471	981.34	9,813,860	981.38
Allotted Pursuant to Scheme of Amalgamation (Refer Note no. 30.3)	4,099,415	409.94	-	-
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
Less: Cancelled Pursuant to Scheme of Amalgamation (Refer Note no. 30.3)/ Other Adjustment	-	-	389	0.04
<b>Closing balance</b>	<b>13,912,886</b>	<b>1,391.22</b>	<b>9,813,471</b>	<b>981.28</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
(ii) Fully Redeemable Non-Cumulative Preference Shares				
Opening balance	30,000,000	3,000	30,000,000	3,000.00
Less: Redeemed during the year	30,000,000	3,000	-	-
Closing balance	-	-	<b>30,000,000</b>	<b>3,000.00</b>

b) (i) **Terms / rights attached to Equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 3/- (Previous year ended 31st March, 2013 ₹ 5/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) **Terms / rights attached to Preference shares:**

In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. 50% of the shares were redeemed during the period ended 31st March, 2012 and remaining 50% of the shares have been redeemed during the current year.

c. **Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity shares of ₹10/- each fully paid		31st March, 2014		31st March, 2013	
Name		Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited (Less than 5% in Previous year)		1,774,707	12.76	-	-
V. P. Mafatlal		1,211,581	8.71	1,211,581	12.35
Rupal V. Mafatlal		1,203,465	8.65	1,203,465	12.26
Altamount Products and Services Private Limited (Less than 5% in Previous year)		1,064,443	7.65	-	-
Sukarma Investments Private Limited (Less than 5% in Previous year)		839,173	6.03	-	-
H. A. Mafatlal		821,578	5.90	826,067	8.42
Rekha H. Mafatlal		804,283	5.78	804,283	8.20
NOCIL Limited (Less than 5% in the current year)		-	-	566,320	5.77
Priyavrata H. Mafatlal (Less than 5% in the current year)		-	-	554,232	5.65

Fully Redeemable Non-Cumulative Preference Shares of ₹10/- each fully paid		31st March, 2014		31st March, 2013	
Name		Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited		-	-	30,000,000	100

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

- d. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

	Nos.	₹ In lacs.
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

- e. Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:

- (i) During the year 2010-11, 300,00,000 Optionally Convertible Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were converted into 48,13,860 Equity shares of ₹ 10/- each of the Company at a premium of ₹ 52.32 per equity share.
- (ii) During the current year, 40,99,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatlal Denim Limited, as consideration on merger with the Company.

- f. Calls unpaid (by other than officers and directors)

	₹ In lacs	
	As at 31st March, 2014	As at 31st March, 2013
Calls Unpaid	0.06	0.06

- g. During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3181 and 3182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

## 4 RESERVES AND SURPLUS

	₹ In lacs	
	As at 31st March, 2014	As at 31st March, 2013
(a) Capital Reserve no. 1		
Opening balance	61.16	61.16
(b) Capital Reserve no. 2		
Opening balance	35.00	35.00
(c) Capital Reserve on Amalgamation		
Opening balance	3,634.48	-
Addition pursuant to Scheme of Amalgamation (Refer Note No. 30.3)	-	3,634.48
Closing balance	<b>3,634.48</b>	<b>3,634.48</b>
(d) Capital Redemption Reserve		
Opening balance	5,383.14	4,200.00
Addition pursuant to Scheme of Amalgamation (Refer Note No. 30.3)	-	1,183.14
Add: Transferred from the Statement of Profit and Loss	3,000.00	-
Closing balance	<b>8,383.14</b>	<b>5,383.14</b>
(e) Securities Premium Account		
Opening balance	17,452.07	21,383.78
Deduction pursuant to Scheme of Amalgamation (Refer Note No. 30.3)	-	(3,931.71)
Closing balance	<b>17,452.07</b>	<b>17,452.07</b>

## Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(f) Capital Investment Reserve:</b>		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
<b>(g) Investment Reserve:</b>		
(Taken over from Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on Amalgamation)		
Opening balance	1.78	1.78
<b>(h) Export Profit Reserve</b>		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd on amalgamation)		
Opening balance	20.00	20.00
<b>(i) General Reserve</b>		
Opening balance	375.00	-
Transferred from Surplus in the Statement of Profit and Loss	245.00	375.00
Closing balance	<b>620.00</b>	<b>375.00</b>
<b>(j) Surplus in the Statement of Profit and Loss</b>		
Opening balance	4,386.64	3,768.28
Addition pursuant to Scheme of Amalgamation (Refer Note No. 30.3)	-	(1,908.71)
Addition: Profit for the year	2,393.38	3,715.93
	<b>6,780.02</b>	<b>5,575.50</b>
Less: Appropriations		
Transferred to Capital Redemption Reserve on Redemption of Preference Shares	(3,000.00)	-
Transferred to General Reserve	(245.00)	(375.00)
Dividend proposed to be distributed to equity shareholders [Dividend per Share ₹ 3/- (Previous year ₹5/-)]	(417.39)	(695.64)
Tax on Dividend	(70.94)	(118.22)
Total appropriations	<b>(3,733.33)</b>	<b>(1,188.86)</b>
Closing balance	<b>3,046.69</b>	<b>4,386.64</b>
<b>Total</b>	<b>33,330.28</b>	<b>31,425.23</b>

## 5 LONG-TERM BORROWINGS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Term Loans</b>		
From Banks - Secured [Refer Note no.(ii)]	2,619.15	3,750.48
From Banks - Secured - Loans for Vehicles [Refer Note no.(iii)]	69.48	42.18
From Others - Secured [Refer Note no.(iv)]	1,157.66	1,510.38
<b>Total</b>	<b>3,846.29</b>	<b>5,303.04</b>

- (i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.
- (ii) (a) Term loans of ₹ 3,417.15 lacs (Previous year ₹ 4,158.15 lacs) from a bank are repayable in quarterly installments till March 2018. These Loans are secured by a pari passu mortgage / hypothecation charge on the Fixed Assets, including leasehold land and hypothecation charge on all current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 15.50% to 16.00% p.a. (Previous year 15.75% p.a.)

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

- (b) Term loan of ₹ 500.00 lacs (Previous year ₹ 750.00 lacs) from a bank is repayable in monthly installments till October 2014. The Loan is secured by a pari passu mortgage / hypothecation charge on the Current Assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Base Rates. The effective rate of interest for the year was in the range of 13.75% to 14% p.a (Previous year 13.75% p.a.)
- (iii) Loans for Vehicles from Banks is secured by hypothecation of respective vehicles. The Loan carries interest in the range of 10.50% to 11% p.a. (Previous year 11% p.a.)
- (iv) (a) Term loan of ₹ 899.25 lacs (Previous year ₹ 1,094.25 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by a pari passu mortgage / hypothecation charge on the Company's Fixed Assets, including leasehold land and hypothecation charge on all current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was at 16.75% p.a. (Previous year 16.50% to 16.75% p.a.)
- (b) Term loan of ₹ 611.13 lacs (Previous year ₹ 743.65 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by pari passu hypothecation charge on the current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carries interest @ 12.25% p.a.

### 6 DEFERRED TAX LIABILITIES (NET)

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	1,991.61	1,419.56
<b>Tax effect of items constituting deferred tax liability</b>	<b>1,991.61</b>	<b>1,419.56</b>
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	124.64	176.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,349.59	817.62
Unabsorbed depreciation carried forward	262.38	-
<b>Tax effect of items constituting deferred tax assets</b>	<b>1,736.61</b>	<b>994.56</b>
<b>Net deferred tax liability (net)</b>	<b>255.00</b>	<b>425.00</b>

Note: The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

### 7 OTHER LONG-TERM LIABILITIES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
(i) Trade/ Security deposits received	225.20	204.60
(ii) Others - advances	37.08	2.91
<b>Total</b>	<b>262.28</b>	<b>207.51</b>

### 8 LONG-TERM PROVISIONS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no.31.4)	472.63	496.36
(ii) Provision for Gratuity (Refer Note no. 31.4)	466.75	608.83
<b>Total</b>	<b>939.38</b>	<b>1,105.19</b>



## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 9 SHORT-TERM BORROWINGS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Loans repayable on demand</b>		
From Banks		
Secured * - Overdraft facility	5,880.65	2,760.18
Secured ** - Cash credit	844.87	933.82
<b>Total</b>	<b>6,725.52</b>	<b>3,694.00</b>

\* Secured against Fixed Deposits of ₹ 7,420.00 lacs, maturing on various dates, last date of maturity 15th March, 2015. (Previous year: ₹ 3,013.00 lacs, last date of maturity 15th March, 2014).

\*\* Secured by pari passu charge on the current assets and a second Mortgage/ Hypothecation charge on the Fixed assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The cash credit is repayable on demand and carry an interest @ 14.5% p.a. (Previous year 14.5% p.a)

### 10 TRADE PAYABLES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
Other than acceptances (Refer Note no. 30.4)	12,797.99	10,142.62
<b>Total</b>	<b>12,797.99</b>	<b>10,142.62</b>

### 11 OTHER CURRENT LIABILITIES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of long-term debt (Refer Note No.5 Long Term Borrowings for details of securities)		
(i) From Banks - Secured	1,298.00	1,157.67
(ii) From Banks - Secured - Loans for Vehicles	22.42	16.04
(iii) From Others - Secured	352.72	327.52
(b) Interest accrued but not due on borrowings	6.71	308.81
(c) Unpaid dividends	8.90	-
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	527.98	488.56
(ii) Payables on purchase of fixed assets	12.01	-
(iii) Contractually reimbursable expenses	0.24	0.39
(iv) Interest accrued on other than borrowings	923.48	1,639.17
(v) Trade / security deposits received	37.25	24.34
(vi) Advances from customers	187.77	287.35
(vii) Other advances (Refer Note no. 30.5)	577.89	-
(viii) Others includes Voluntary Retirement Scheme, electricity dues.	461.20	480.94
<b>Total</b>	<b>4,416.57</b>	<b>4,730.79</b>

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

**12 SHORT-TERM PROVISIONS**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Provision for employee benefits</b>		
Provision for Compensated absences (Refer Note no.31.4)	174.53	132.88
Provision for Gratuity (Refer Note no. 31.4)	133.45	235.06
	<b>307.98</b>	<b>367.94</b>
<b>(b) Provisions - Others</b>		
(i) Provision for tax (net of advance tax ₹ 10,783.15 lacs (As at 31st March, 2013 ₹ 1,804.90 lacs))	759.20	612.09
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹ 39.05 lacs (As at 31st March, 2013 ₹ 39.05 lacs))	0.40	0.40
(iii) Provision for Wealth Tax (net)	1.14	0.95
(iv) Provision for Proposed Equity dividend	417.39	695.64
(v) Provision for tax on Proposed dividend	70.94	118.22
	<b>1,249.07</b>	<b>1,427.30</b>
<b>Total</b>	<b>1,557.05</b>	<b>1,795.24</b>

**NOTE 13(a) FIXED ASSETS**

(₹ in lacs)

Tangible assets	Gross block							
	Balance as at 1st April, 2013	Additions	Disposals	Acquisitions through business combinations	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March 2014
<b>(a) Land</b>								
Freehold	21.08	-	-	-	-	-	-	21.08
(Previous year)	(21.08)	-	-	-	-	-	-	(21.08)
Leasehold	0.08	-	-	-	-	-	-	0.08
(Previous year)	(0.08)	-	-	-	-	-	-	(0.08)
	21.16	-	-	-	-	-	-	21.16
(Previous year)	(21.16)	-	-	-	-	-	-	(21.16)
<b>(b) Buildings</b>								
Own use	4,037.72	295.87	-	-	-	-	-	4,333.59
(Previous year)	(1,551.04)	(15.63)	-	(2,471.05)	-	-	-	(4,037.72)
Given under operating lease	63.60	-	-	-	-	-	-	63.60
(Previous year)	(63.60)	-	-	-	-	-	-	(63.60)
	4,101.32	295.87	-	-	-	-	-	4,397.19
(Previous year)	(1,614.64)	(15.63)	-	(2,471.05)	-	-	-	(4,101.32)
<b>(c) Plant and Equipment</b>								
Owned	35,300.21	7,637.88	457.04	-	-	-	2.53	42,483.58
(Previous year)	(17,389.46)	(866.67)	(2,590.00)	(19,633.26)	-	-	(0.82)	(35,300.21)
	35,300.21	7,637.88	457.04	-	-	-	2.53	42,483.58
(Previous year)	(17,389.46)	(866.67)	(2,590.00)	(19,633.26)	-	-	(0.82)	(35,300.21)
<b>(d) Furniture and Fixtures</b>								
Owned	276.23	147.91	5.14	-	-	-	(1.92)	417.08
(Previous year)	(211.57)	(43.07)	(37.78)	(83.59)	-	-	(24.22)	(276.23)
	276.23	147.91	5.14	-	-	-	(1.92)	417.08
(Previous year)	(211.57)	(43.07)	(37.78)	(83.59)	-	-	(24.22)	(276.23)
<b>(e) Vehicles</b>								
Owned	260.76	108.38	11.02	-	-	-	-	358.12
(Previous year)	(124.67)	(85.74)	(30.04)	(80.39)	-	-	-	(260.76)
	260.76	108.38	11.02	-	-	-	-	358.12
(Previous year)	(124.67)	(85.74)	(30.04)	(80.39)	-	-	-	(260.76)

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

(₹ in lacs)

Tangible assets	Gross block							
	Balance as at 1st April, 2013	Additions	Disposals	Acquisitions through business combinations	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March 2014
<b>(f) Office equipment</b>								
Owned	813.85	40.00	11.08	-	-	-	(0.61)	842.16
(Previous year)	(695.43)	(120.70)	(139.27)	(113.59)	-	-	(23.40)	(813.85)
	813.85	40.00	11.08	-	-	-	(0.61)	842.16
(Previous year)	(695.43)	(120.70)	(139.27)	(113.59)	-	-	(23.40)	(813.85)
<b>(g) Leasehold improvements</b>								
Owned	256.82	-	-	-	-	-	-	256.82
(Previous year)	-	(256.82)	-	-	-	-	-	(256.82)
	256.82	-	-	-	-	-	-	256.82
(Previous year)	-	(256.82)	-	-	-	-	-	(256.82)
<b>(h) Railway sidings</b>								
Owned	2.70	-	-	-	-	-	-	2.70
(Previous year)	(2.70)	-	-	-	-	-	-	(2.70)
	2.70	-	-	-	-	-	-	2.70
(Previous year)	(2.70)	-	-	-	-	-	-	(2.70)
<b>Total</b>	<b>41,033.05</b>	<b>8,230.04</b>	<b>484.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,778.81</b>
<b>(Previous year)</b>	<b>(20,059.63)</b>	<b>(1,388.63)</b>	<b>(2,797.09)</b>	<b>(22,381.88)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,033.05)</b>

**NOTE 13(a) FIXED ASSETS (Contd...)**

(₹ in lacs)

Tangible assets	Accumulated depreciation and impairment						Net block	
	Balance as at 1st April, 2013	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Acquisitions through business combinations	Other adjustments	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
<b>(a) Land</b>								
Freehold	-	-	-	-	-	-	21.08	21.08
(Previous year)	-	-	-	-	-	-	(21.08)	-
Leasehold	-	-	-	-	-	-	0.08	0.08
(Previous year)	-	-	-	-	-	-	(0.08)	-
	-	-	-	-	-	-	21.16	21.16
(Previous year)	-	-	-	-	-	-	(21.16)	-
<b>(b) Buildings</b>								
Own use	1,893.44	122.60	-	-	-	2,016.04	2,317.55	2,144.28
(Previous year)	(880.38)	(114.12)	-	(898.94)	-	(1,893.44)	(2,144.28)	-
Given under operating lease	14.27	1.04	-	-	-	15.31	48.29	49.33
(Previous year)	(13.23)	(1.04)	-	-	-	(14.27)	(49.33)	-
	1,907.71	123.64	-	-	-	2,031.35	2,365.84	2,193.61
(Previous year)	(893.61)	(115.16)	-	(898.94)	-	(1,907.71)	(2,193.61)	-
<b>(c) Plant and Equipment</b>								
Owned	28,879.50	1,596.85	453.14	-	2.27	30,025.48	12,458.10	6,420.71
(Previous year)	(16,697.53)	(1,242.17)	(2,530.96)	(13,469.98)	(0.78)	(28,879.50)	(6,420.71)	-
	28,879.50	1,596.85	453.14	-	2.27	30,025.48	12,458.10	6,420.71
(Previous year)	(16,697.53)	(1,242.17)	(2,530.96)	(13,469.98)	(0.78)	(28,879.50)	(6,420.71)	-
<b>(d) Furniture and Fixtures</b>								
Owned	222.08	7.84	4.75	-	(0.38)	224.79	192.29	54.15
(Previous year)	(193.33)	(4.74)	(28.69)	(75.66)	(22.96)	(222.08)	(54.15)	-
	222.08	7.84	4.75	-	(0.38)	224.79	192.29	54.15

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

(₹ in lacs)

Tangible assets	Accumulated depreciation and impairment					Net block		
	Balance as at 1st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Acquisitions through business combinations	Other adjustments	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
(Previous year)	(193.33)	(4.74)	(28.69)	(75.66)	(22.96)	(222.08)	(54.15)	-
<b>(e) Vehicles</b>								
Owned	85.82	26.74	8.24	-	-	104.32	253.80	174.94
(Previous year)	(55.45)	(19.62)	(21.03)	(31.78)	-	(85.82)	(174.94)	-
	85.82	26.74	8.24	-	-	104.32	253.80	174.94
(Previous year)	(55.45)	(19.62)	(21.03)	(31.78)	-	(85.82)	(174.94)	-
<b>(f) Office equipment</b>								
Owned	607.02	44.68	10.63	-	(1.89)	639.18	202.98	206.83
(Previous year)	(577.91)	(37.77)	(119.11)	(88.27)	(22.18)	(607.02)	(206.83)	-
	607.02	44.68	10.63	-	(1.89)	639.18	202.98	206.83
(Previous year)	(577.91)	(37.77)	(119.11)	(88.27)	(22.18)	(607.02)	(206.83)	-
<b>(g) Leasehold improvements</b>								
Owned	18.76	28.54	-	-	-	47.30	209.52	238.06
(Previous year)	-	(18.76)	-	-	-	(18.76)	(238.06)	-
	18.76	28.54	-	-	-	47.30	209.52	238.06
(Previous year)	-	(18.76)	-	-	-	(18.76)	(238.06)	-
<b>(h) Railway sidings</b>								
Owned	2.57	-	-	-	-	2.57	0.13	0.13
(Previous year)	(2.57)	-	-	-	-	(2.57)	(0.13)	-
	2.57	-	-	-	-	2.57	0.13	0.13
(Previous year)	(2.57)	-	-	-	-	(2.57)	(0.13)	-
<b>Total</b>	<b>31,723.46</b>	<b>1,828.29</b>	<b>476.76</b>	<b>-</b>	<b>-</b>	<b>33,074.99</b>	<b>15,703.82</b>	<b>9,309.59</b>
(Previous year)	(18,420.40)	(1,438.22)	(2,699.79)	(14,564.63)	-	(31,723.46)	(9,309.59)	-

Note:

Building include ₹ 12.86 lacs (Previous year ₹ 12.86 lacs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹2500/-, under the bye-laws of the society.

**NOTE 13(b) FIXED ASSETS**

(₹ in lacs)

Intangible assets	Gross block					Balance as at 31st March 2014
	Balance as at 1st April, 2013	Additions	Disposals	Borrowing cost capitalised	Other adjustments	
<b>(a) Computer software</b>						
Owned	12.80	105.54	-	-	-	118.34
(Previous year)	-	(12.80)	-	-	-	(12.80)
<b>Total</b>	<b>12.80</b>	<b>105.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.34</b>
(Previous year)	-	(12.80)	-	-	-	(12.80)

**NOTE 13(b) FIXED ASSETS (Contd...)**

(₹ in lacs)

Intangible assets	Accumulated depreciation and impairment				Net block	
	Balance as at 1st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
<b>(a) Computer software</b>						
Owned	4.72	3.30	-	8.02	110.32	8.08
(Previous year)	-	(4.72)	-	(4.72)	(8.08)	-
<b>Total</b>	<b>4.72</b>	<b>3.30</b>	<b>-</b>	<b>8.02</b>	<b>110.32</b>	<b>8.08</b>
(Previous year)	-	(4.72)	-	(4.72)	(8.08)	-

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### NOTE 14 NON-CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March, 2014				As at 31 March, 2013			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
Long Term Investments (At cost)								
<b>I Trade</b>								
<b>(a) Investment in equity instruments (Fully paid)</b>								
Associates								
Equity shares of ₹ 100/- each of Mafatlal Engineering Industries Ltd. ###	146,364		(1.00)	(1.00)	146,364		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Mafatlal V K Intex Ltd	-		-	-	580,000		(1.00)	(1.00)
<b>(i) Associates</b>		-	-	-		-	-	-
Joint Ventures								
Equity shares of AED 1000/- each of Al Fahim Mafatlal Textile LLC	147		22.73	22.73	147		22.73	22.73
<b>(ii) Joint Ventures</b>		-	22.73	22.73			22.73	22.73
Other entities								
Equity shares of ₹ 10/- each of Matcon Export Enterprises Ltd.	13,350		(1.00)	(1.00)	13,350		(1.00)	(1.00)
Equity shares of ₹ 1/- each of Integra Engineering India Ltd	20	(286.00)		(286.00)	20	(286.00)		(286.00)
<b>(iii) Other entities</b>			-	-			-	-
Total Trade Investments - (I)			22.73	22.73			22.73	22.73
<b>II Other Investments</b>								
<b>a Investment Properties (Refer Note 1 below)</b>								
Immoveable Property (net of accumulated depreciation)			57.99	57.99			64.21	64.21
<b>b Investment in equity instruments (Fully paid)</b>								
Subsidiaries								
Equity shares of ₹ 100/- each of Mafatlal Services Ltd.	272,800		272.80	272.80	272,800		272.80	272.80
Equity shares of ₹ 100/- each of Mishapar Investments Ltd.	-		-	-	7,800,000		12,300.10	12,300.10
Cancelled Pursuant to the Scheme of Amalgamation (Refer Note No. 30.3)	-		-	-	(7,800,000)		(12,300.10)	(12,300.10)
Equity shares of ₹ 10/- each of Ibiza Industries Limited *** ##	2,616,670		(1.00)	(1.00)	1,350,000		(1.00)	(1.00)
Add: Pursuant to the Scheme of Amalgamation (Refer Note No.30.3)\$	-		-	-	1,266,670		-	-
	2,616,670		(1.00)	(1.00)	2,616,670		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Sunanda Industries Ltd. *	3,976,002		(1.00)	(1.00)	3,576,002		(1.00)	(1.00)
Add: Pursuant to the Scheme of Amalgamation (Refer Note No.30.3)\$	-		-	-	400,000		-	-
	3,976,002		(1.00)	(1.00)	3,976,002		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Mayflower Textiles Private Limited ^ \$	-		-	-	10,000		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Myrtle Textiles Private Limited. ^ \$	-		-	-	10,000		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Repal Apparel Private Limited ^ \$	-		-	-	25,000		(1.00)	(1.00)
		-	272.80	272.80		-	272.80	272.80
<b>(i) Subsidiaries</b>			272.80	272.80			272.80	272.80
Associates								
Equity shares of ₹ 10/- each of Mafatlal Ltd, UK. ##	23,700		-	-	14,700		-	-
Add: Pursuant to the Scheme of Amalgamation (Refer Note No.30.3)\$	-		-	-	9,000		-	-
	23,700		(1.00)	(1.00)	23,700		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Sushmita Engineering and Trading Ltd.	-		-	-	153,000		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Repos Trading Co. Limited ^ \$	-		-	-	30,000		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited ^ (Previous year: including ₹ 78 lacs pursuant to scheme of amalgamation) (Refer Note no. 30.3)	1,240,000		124.00	124.00	1,240,000		124.00	124.00
		-	124.00	124.00		-	124.00	124.00
<b>(ii) Associates</b>			124.00	124.00			124.00	124.00
<b>(iii) Other entities</b>								
Equity shares of ₹10/- each of Anil Products Limited	2,320		(1.00)	(1.00)	2,320		(1.00)	(1.00)

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

(₹ in lacs)

Particulars	As at 31 March, 2014				As at 31 March, 2013			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
Equity shares of ₹ 10/- each of Anil Biochem Limited	116		(1.00)	(1.00)	116		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Arlabs Ltd	100		(1.00)	(1.00)	100		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Cama Hotels Ltd.	45,000		5.95	5.95	45,000		5.95	5.95
Equity shares of ₹ 10/- each of Cellulose Products of India Ltd.	15,000		(1.00)	(1.00)	15,000		(1.00)	(1.00)
Equity shares of ₹ 25/- each of Universal Dyestuff Industries Ltd.	10		(430.00)	(430.00)	10		(430.00)	(430.00)
Equity shares of ₹ 100/- each of SLM - Maneklal Industries Ltd	5,870		(1.00)	(1.00)	5,870		(1.00)	(1.00)
Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd.	92,100	3.69		3.69	92,100	3.69		3.69
Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Ltd.	79,920	24.98		24.98	79,920	24.98		24.98
Equity shares of ₹ 10/- each of Mangal Credit & Fincorp Ltd. (Formerly known as TAK Machinery and Leasing Ltd.)	13,950	1.50		1.50	13,950	1.50		1.50
Equity shares of ₹ 2/- each of Ultramarine and Pigments Ltd.	9,600	0.02		0.02	9,600	0.02		0.02
Equity shares of ₹ 10/- each of NOCIL Limited	23,036,469	3,853.72		3,853.72	61,880	16.97		16.97
Add: Acquired Pursuant to the Scheme of Amalgamation (Refer Note No.30.3)	-	-		-	22,974,589	3,836.75		3,836.75
	23,036,469	3,853.72	-	3,853.72	23,036,469	3,853.72	-	3,853.72
Equity shares of ₹ 10/- each of Mafatlal Industries Limited	-	-		-	388	-		-
Less: Cancelled Pursuant to the Scheme of Amalgamation (Refer Note No. 30.3)	-	-		-	(388)	-		-
	-	-		-	-	-		-
Equity shares of ₹ 10/- each of Hybrid Finance Services Limited **\$ ^	1,600	(1.00)		(1.00)	1,600	(1.00)		(1.00)
Equity shares of ₹ 10/- each of Navin Fluorine International Limited ^	189,964	673.23		673.23	189,964	673.23		673.23
Equity shares of ₹ 10/- each of Bank of India. \$ ^	100	0.36		0.36	100	0.36		0.36
Equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited ^ \$	30,000		(1.00)	(1.00)	30,000		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Suremi Trading Private Limited. ^ \$	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Mafatlal Impex Private Limited. ^ \$	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Navdeep Investment Private Limited ^ \$ **	6,250		(1.00)	(1.00)	6,250		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Arvi Associates Private Limited ^ \$	10,000		(1.00)	(1.00)	10,000		(1.00)	(1.00)
(iii) Other entities		4,557.50	5.95	4,563.45		4,557.50	5.95	4,563.45
<b>c Investments in Government securities (Fully paid)</b>								
In Government securities (Face value of ₹ 2.89 lacs) have been lodged with various authorities			2.89	2.89			2.89	2.89
<b>Investments in Government securities</b>			2.89	2.89			2.89	2.89
<b>d Investment in debentures or bonds (Fully paid)</b>								
(i) Associates								
10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd. ##	165,000		(1.00)	(1.00)	165,000		(1.00)	(1.00)
(ii) Other entities								
Corporate Bonds of Housing Development Finance Corporation Ltd.:11 % - Series IV #	2,050.00		20.50	20.50	2,050		20.50	20.50
<b>Investment in debentures or bonds</b>			20.50	20.50			20.50	20.50
<b>e Investment in Mutual funds (Fully paid)</b>								
Master Shares of Unit Trust of India of ₹10/- each.	432,000		36.30	36.30	432,000		36.30	36.30
Units of ₹10/- each JM Financial Mutual Fund - J.M. Equity Fund - Growth Plan ^ \$	100,000		10.00	10.00	100,000		10.00	10.00
<b>Investment in Mutual funds</b>			46.30	46.30			46.30	46.30
<b>f Other Non-current Investments (Fully paid)</b>								
Shares of ₹ 50/- each of Sea- Face Park Co-op Hsg Society Ltd.	5.00		(250.00)	(250.00)	5.00		(250.00)	(250.00)
<b>Subsidiaries</b>								

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

Particulars	As at 31 March, 2014				As at 31 March, 2013			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
Mishapar Investments Limited								
Preference Shares suspense			-	-			900.00	900.00
Less: Cancelled Pursuant to the Scheme of Amalgamation (Refer Note No. 30.3)			-	-			(900.00)	(900.00)
Other Non-current Investments			-	-			-	-
<b>Total Other Investments - (II)</b>		4,557.50	530.43	5,087.93		4,557.50	536.65	5,094.15
<b>Total Investments - (I + II)</b>		4,557.50	553.16	5,110.66		4,557.50	559.38	5,116.88
Provision for diminution in value of investments - Opening Balance			245.30	245.30			8,645.30	8,645.30
Add: Provision for diminution made during the Current year			-	-			-	-
Less: Cancelled Pursuant to the Scheme of Amalgamation (Refer Note No.30.3)			-	-			(8,400.00)	(8,400.00)
Provision for diminution in value of investments - Closing Balance			245.30	245.30			245.30	245.30
<b>Grand Total Investments</b>		4,557.50	307.86	4,865.37		4,557.50	314.08	4,871.58
Aggregate amount of quoted investments				4,557.50				4,557.50
Aggregate market value of listed and quoted investments				5,146.22				4480.53
Aggregate value of listed but not quoted investments				-				-
Aggregate amount of unquoted investments				307.86				314.08

Figures in ( ) are in Full ₹

\* Subject to non disposal undertakings given to financial institutions. The company is currently under liquidation, 33,40,002 Equity shares were not available for physical verification.

# 1,050 nos. - Not available for physical verification.

## Not available for physical verification / confirmation not available; currently under liquidation.

### 66,362 Equity shares (Previous year 110,335) not available for physical verification; currently under liquidation.

\$ Equity shares acquired Pursuant to the Scheme of Amalgamation are not held in the name of the Company.

\*\* Not available for physical verification

^ Added pursuant to the Scheme of Amalgamation (Refer Note No.30.3)

\*\*\* 13,50,000 Equity Shares of Ibiza Industries Limited have been pledged for loans/deposit taken by the company / other companies.

### Note: 1

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Investment in Properties</b>		
<b>Gross Block</b>		
Balance as per last Balance Sheet *	80.19	85.29
Add: Addition: during the year	-	-
Less: Deduction during the year	3.21	5.10
	76.98	80.19
<b>Less : Accumulated Depreciation</b>		
Balance as per last Balance Sheet	15.98	15.88
Add: Depreciation for the year	3.01	1.11
Less: Deduction during the year	-	1.01
	18.99	15.98
<b>Net Block</b>	57.99	64.21
* includes asset held for sale ₹3.21 lacs (Previous year ₹3.22 lacs).		

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

**15 LONG-TERM LOANS AND ADVANCES**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital advances</b>		
Unsecured, considered good	53.15	424.80
<b>(b) Security deposits</b>		
Unsecured, considered good	737.14	1,075.78
Doubtful	83.20	83.20
Less: Provision for doubtful deposits	(83.20)	(83.20)
	<b>737.14</b>	<b>1,075.78</b>
<b>(c) Loans and advances to related parties (Refer Note no. 31.5)</b>		
Unsecured, considered good	1091.72	592.88
Doubtful	141.80	-
Less: Provision for doubtful loans and advances	(141.80)	-
	<b>1091.72</b>	<b>592.88</b>
<b>(d) Loans and advances to employees</b>		
Unsecured, considered good	12.05	4.66
Doubtful	1.64	1.64
Less: Provision for doubtful loans and advances	(1.64)	(1.64)
	<b>12.05</b>	<b>4.66</b>
<b>(e) Advance income tax (net of provisions ₹ 150.76 lacs (As at 31st March, 2013 ₹ 12,423.63 lacs) - Unsecured, considered good</b>	<b>1,521.79</b>	<b>1,380.63</b>
<b>(f) Advance Fringe Benefit tax (net of provisions ₹ NIL (As at 31st March, 2013 ₹ NIL) - Unsecured, considered good</b>	<b>-</b>	<b>2.25</b>
<b>(g) MAT credit entitlement</b>	<b>356.00</b>	<b>-</b>
<b>(h) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	14.99	17.78
(ii) VAT credit receivable	11.49	7.92
(ii) Service Tax credit receivable	37.25	41.44
(iii) Deposit with Excise authorities in Escrow account	359.26	359.31
Doubtful		
Disputed Central excise deposits	22.54	22.54
Less: Provision for doubtful loans and advances	(22.54)	(22.54)
	<b>422.99</b>	<b>426.45</b>
<b>(i) Other loans and advances</b>		
Unsecured, considered good		
Deposits recoverable from parties	30.64	242.75
Lease rent/utilities equalisation	28.91	23.14
Doubtful	9.75	141.55
Less: Provision for other doubtful loans and advances	(9.75)	(141.55)
	<b>59.55</b>	<b>265.89</b>
<b>Total</b>	<b>4,254.39</b>	<b>4,173.34</b>
Note: Long-term loans and advances include amounts due from:		
Director	62.40	68.73
Other officers of the Company		
Private companies in which atleast one of the directors is a director or member	785.32	757.20



## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 16 OTHER NON CURRENT ASSETS

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Accruals		
(i) Interest accrued on deposits	3.91	3.91
(ii) Interest accrued on investments	6.88	6.88
(iii) Interest accrued on loans to staff	15.16	13.16
(b) Others		
(i) Balances with Banks in Earmarked accounts (Refer Note no. 30.5)	578.00	45.39
<b>Total</b>	<b>603.95</b>	<b>69.34</b>
Other Non-current assets include amounts due from: Director	15.16	13.16

### 17 INVENTORIES (AT LOWER OF COST AND NET REALIZABLE VALUE)

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Raw materials	1,541.10	2,524.36
(b) Work in progress	5,402.63	4,665.78
(c) Finished goods	2,667.50	2,075.13
(d) Stock in trade (Traded goods) includes material in transit ₹ 106.26 lacs (Previous year ₹ NIL)	1,932.60	593.65
(e) Stores and spares	825.02	803.70
(f) Others (Land)	0.58	0.58
<b>Total</b>	<b>12,369.43</b>	<b>10,663.20</b>

### 18 TRADE RECEIVABLES

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	1,068.77	418.08
Doubtful	93.81	89.85
	1,162.58	507.93
Less: Provision for doubtful trade receivables	(93.81)	(89.85)
	<b>1,068.77</b>	<b>418.08</b>
<b>Other Trade receivables</b>		
Unsecured, considered good	12,786.13	11,798.55
<b>Total</b>	<b>13,854.90</b>	<b>12,216.63</b>
Includes debts dues from:-		
Private companies in which atleast one of the directors is a director or member	71.37	74.59

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

**19 CASH AND BANK BALANCES**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>A Cash and Cash equivalents</b>		
(a) Cash on hand	20.07	23.95
(b) Cheques on hand	30.77	41.14
(c) Balances with Banks:		
(i) In Current accounts	601.91	1,483.69
(ii) In deposit accounts - Original maturity of 3 months or less	4.09	6,861.48
<b>Total - Cash and cash equivalents (A)</b>	<b>656.84</b>	<b>8,410.26</b>
<b>B Other bank balances</b>		
(i) In deposit accounts		
- original maturity more than 3 months	1,388.83	1,707.63
(ii) In earmarked accounts		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments	705.95	169.35
(b) Unpaid dividend accounts	8.90	-
(iii) Others		
-Balance in Fixed Deposits (earmarked for Overdraft Facility)	7,419.85	3,012.94
-Balance in Escrow Current account (Refer Note (i) below)	1.87	140.09
-Balance in Escrow Fixed Deposit account (Refer Note (i) below)	-	700.00
<b>Total - Other bank balances (B)</b>	<b>9,525.40</b>	<b>5,730.01</b>
<b>Total Cash and bank balances (A+B)</b>	<b>10,182.24</b>	<b>14,140.27</b>
(i) Balance in Escrow Current account and Escrow Fixed Deposit account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.		

**20 SHORT TERM LOANS AND ADVANCES**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Loans and advances to related parties (Refer Note no. 31.5)		
Unsecured		
Considered good	6.20	6.20
Doubtful	-	153.92
Less: Provision for doubtful loans and advances	-	(153.92)
	<b>6.20</b>	<b>6.20</b>
(b) Security deposits		
Unsecured		
Considered good	243.50	215.93
Doubtful	-	39.20
Less: Provision for doubtful deposits	-	(39.20)
	<b>243.50</b>	<b>215.93</b>
(c) Loans and advances to employees		
Unsecured, considered good	<b>101.65</b>	<b>45.13</b>
(d) Prepaid expenses - Unsecured, considered good (Insurance premium, Annual maintenance contracts, etc.)	<b>60.75</b>	<b>65.43</b>

■ Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>(e) Balances with government authorities</b>		
Unsecured, considered good		
(i) Custom duty refund receivable	61.55	61.55
(ii) Export Benefit receivable (DEPB)	135.64	68.45
(iii) Interest subsidy receivable (TUFS)	116.36	68.20
(iv) MODVAT receivable	-	6.19
(v) Other - Export benefit receivable	369.31	80.42
	<b>682.86</b>	<b>284.81</b>
<b>(f) Others</b>		
Unsecured, considered good		
Trade advances, considered good	591.25	681.05
Doubtful	13.95	13.95
Less: Provision for other doubtful loans and advances	(13.95)	(13.95)
	<b>591.25</b>	<b>681.05</b>
<b>Total</b>	<b>1,686.21</b>	<b>1,298.55</b>
Note: Short-term loans and advances include amounts due from:		
Director	6.20	6.20
Other officer of the Company	70.00	6.45
Private companies in which atleast one of the directors is a director or member	-	18.92

**21 OTHER CURRENT ASSETS**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Accruals</b>		
(i) Interest accrued on deposits	416.56	134.95
(ii) Interest accrued on investments	11.39	3.94
(iii) Interest accrued on loans to staff	3.49	-
<b>Total</b>	<b>431.44</b>	<b>138.89</b>
Other Current assets include amounts due from:		
Officer of the Company	3.49	-

**■ Notes forming part of Financial Statements for the year ended 31st March, 2014**

**22 REVENUE FROM OPERATIONS**

₹ In lacs

Particulars	Current year	Previous year
(a) Sale of products (Refer note (I) below)	89,725.95	77,408.31
(b) Other operating revenues (Refer note (II) below)	2,046.68	2,340.76
<b>Revenue from operations (Gross)</b>	<b>91,772.63</b>	<b>79,749.07</b>
Note:		
<b>I Sale of products comprises:</b>		
<b>a Manufactured goods</b>		
Cloth	23,796.85	16,366.87
Yarn	62.94	263.99
Denim Fabrics	29,832.12	28,801.28
Garments	66.23	69.92
<b>Total - Sale of Manufactured goods</b>	<b>53,758.14</b>	<b>45,502.06</b>
<b>b Traded goods</b>		
Cloth	35,967.81	31,906.25
<b>Total - Sale of Traded goods</b>	<b>35,967.81</b>	<b>31,906.25</b>
<b>Total - Sale of Products (a + b)</b>	<b>89,725.95</b>	<b>77,408.31</b>
<b>II Other operating revenues</b>		
Income from waste/scrap sale	391.34	369.22
Processing Charges	30.10	511.20
Duty drawback and other export incentive	498.62	291.59
Rental income from investment property	276.13	222.67
Utility/ Business Service /Air-conditioning charges and other receipts	850.49	946.08
<b>Total</b>	<b>2,046.68</b>	<b>2,340.76</b>

**23 OTHER INCOME**

₹ In lacs

Particulars	Current year	Previous year
Interest income (Refer note 1, below)	1,053.66	1,535.74
Dividend income from long term investments	193.29	303.11
Net gain on sale of long term Investments (including ₹ 0.05 lacs (Previous year ₹ 0.99 lac on sale of subsidiary companies)	1.10	67.45
Net gain on foreign currency transaction and translation	119.56	255.86
Other non-operating income (Refer note 2, below)	408.88	2,126.90
<b>Total</b>	<b>1,776.49</b>	<b>4,289.06</b>
Notes,		
<b>1 Interest income comprises:</b>		
Interest from banks on deposits	896.53	1,412.30
Other interest	157.13	123.44
<b>Total</b>	<b>1,053.66</b>	<b>1,535.74</b>
<b>2 Other non-operating income:</b>		
Miscellaneous income	140.46	486.66
Profit on sale of Fixed assets	9.67	0.23
Relief and concessions on assignment of Liabilities	-	964.05
Liabilities/ Provisions no longer required	258.75	675.96
<b>Total</b>	<b>408.88</b>	<b>2,126.90</b>

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 24(a) COST OF MATERIALS CONSUMED (Refer Note no. 30.10)

₹ In lacs

Particulars	Current year	Previous year
Opening stock	2,524.36	271.76
Add: Pursuant to scheme of Amalgamation (Refer Note no.30.3)	-	2,671.70
Add: Purchases	25,506.60	19,850.54
Less: Closing stock	1,541.08	2,524.36
<b>Cost of material consumed</b>	<b>26,489.88</b>	<b>20,269.64</b>
Material consumed comprises:		
Cotton & Fibre	15,942.51	12,429.61
Yarn	7,692.54	6,181.88
Fabrics	2,235.43	763.78
Others	619.40	894.37
<b>Total</b>	<b>26,489.88</b>	<b>20,269.64</b>

### 24(b) PURCHASE OF TRADED GOODS

₹ In lacs

Particulars	Current year	Previous year
Cloth	33,611.11	29,567.17
<b>Total</b>	<b>33,611.11</b>	<b>29,567.17</b>

### 24(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ In lacs

Particulars	Current year	Previous year
<b>Inventories at the end of the year</b>		
Finished goods	2,667.50	2,075.13
Work-in-progress	5,402.63	4,665.78
Stock-in-trade (Traded goods)	1,932.60	593.65
	<b>10,002.73</b>	<b>7,334.56</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	2,075.13	328.97
Add: Pursuant to scheme of Amalgamation (Refer Note No. 30.3)	-	1,030.59
Work-in-progress	4,665.78	2,131.10
Add: Pursuant to scheme of Amalgamation (Refer Note No. 30.3)	-	1,272.22
Stock-in-trade (Trading goods)	593.65	-
	<b>7,334.56</b>	<b>4,762.88</b>
<b>Net increase</b>	<b>2,668.17</b>	<b>2,571.68</b>

### 25 EMPLOYEE BENEFITS EXPENSE

₹ In lacs

Particulars	Current year	Previous year
Salaries and wages	7,335.23	6,206.36
Contributions to provident and other funds (Refer Note 31.4)	638.20	526.76
Gratuity expenses	(213.48)	463.24
Staff welfare expenses	345.75	289.77
<b>Total</b>	<b>8,105.70</b>	<b>7,486.13</b>

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 26 FINANCE COSTS

₹ In lacs

Particulars	Current year	Previous year
(a) Interest expense on:		
(i) Borrowings (Refer Note no. 1)	1,271.05	1,991.00
(ii) Trade payables	95.30	23.65
(iii) Others (includes for delayed payment of income tax and water charges, Bills discounting and employee dues-PF/ESIC interest etc.)	116.13	1,178.08
(b) Other Borrowing costs	6.97	7.19
<b>Total</b>	<b>1,489.45</b>	<b>3,199.92</b>
Note no. 1		
The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) ₹ 243.13 lacs (Previous year ₹ 287.83 lacs) and the same has been netted off from interest expense.		

### 27 DEPRECIATION AND AMORTISATION EXPENSE

₹ In lacs

Particulars	Current year	Previous year
(Refer note 13a, 13b and 14)		
Depreciation on tangible assets	1,828.29	1,438.22
Amortisation on intangible assets	3.30	4.72
Depreciation on investment property	3.01	1.11
<b>Total</b>	<b>1,834.60</b>	<b>1,444.05</b>

### 28 OTHER EXPENSES

₹ In lacs

Particulars	Current year	Previous year
Consumption of stores and spare parts (Refer Note no.30.10)	8,581.45	7,135.73
Processing Charges	1,822.74	948.89
Power and Fuel	7,264.01	7,071.37
Repairs and maintenance - Buildings	166.37	137.55
Repairs and maintenance - Machinery	319.25	311.50
Repairs and maintenance - Others	38.11	38.05
Insurance	87.50	88.51
Lease Rent (Refer Note no. 31.1)	346.42	259.91
Rates and Taxes (including wealth tax ₹1.85 lacs (Previous year ₹0.93 lacs))	179.42	393.77
Commission, Brokerage and Discount	1,574.27	1,084.16
Transport and Freight Charges (net)	441.93	273.14
Debit balance of creditors written off	31.64	4.89
Bad loans and advances and trade receivables written off (net)	7.87	76.88
Provision for doubtful trade receivables and loans and advances	14.47	32.84
Donations and Contributions	36.74	0.19
Loss on fixed assets sold / scrapped / written off	5.74	33.22
Legal and Professional fees	433.68	550.61
Payments to Auditors (Refer note (I) below)	53.71	68.31
Directors' fees	8.99	4.79
Commission to Non-Wholtime Directors	15.31	13.50
Miscellaneous Expenses (includes Travelling, Printing & Stationery etc.)	1,970.53	1,760.01
<b>Total</b>	<b>23,400.15</b>	<b>20,287.82</b>

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	Current year	Previous year
Note:		
(1) Payments to auditors (excluding service tax)		
Statutory Auditors		
Audit fees	16.00	15.50
For taxation matters	20.15	42.25
For other services	12.00	5.65
Reimbursement of expenses	0.37	0.41
<b>Total</b>	<b>48.52</b>	<b>63.81</b>
Branch Auditors		
Audit fees	2.50	2.00
For taxation matters	0.90	0.70
For other services	1.15	1.18
Reimbursement of expenses	0.64	0.62
<b>Total</b>	<b>5.19</b>	<b>4.50</b>

### 29 EXCEPTIONAL ITEMS

₹ In lacs

Particulars	Current year	Previous year
(a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.	-	3,931.71
Less: Adjusted from Securities Premium Account (Refer Note no.30.3)	-	(3,931.71)
(b) Other Exceptional items		
Profit on sale of fixed assets	5.62	363.21
Profit on sale of Long Term Investment Properties	731.15	701.08
Voluntary Retirement Scheme	-	(113.68)
Interest on deferred payment of electricity dues	-	(252.87)
<b>Total</b>	<b>736.77</b>	<b>697.74</b>

### 30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

₹ in Lacs

Note	Particulars	As at 31st March, 2014	As at 31st March, 2013
30.1	Contingent liabilities and commitments (to the extent not provided for)		
(a)	The Company is contingently liable for :		
i	Bills of exchange discounted	574.25	357.63
ii	Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of investment/ loan write off, claim of interest on refund of excise duty/ sales tax, disallowance of chapter VIA deductions, etc. (pending before the Income-tax Appellate Tribunal/ High Court))	730.85	701.32
iii	Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	2,614.89	2,614.89
iv	Disputed demand notice issued by the Commissioner of Central Excise relating to Excise and Service Tax matters (Current year: including Penalty)	2,960.55	1,453.27
v	Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	113.38	113.38

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ in Lacs

Note	Particulars	As at 31st March, 2014	As at 31st March, 2013
vi	Concessional customs duty on import of machinery under EPCG Scheme payable subject to fulfillment of mandatory import/ export obligation. The Company has submitted a bond to the authorities of ₹ 1,000.00 lacs.	1,198.21	1,136.11
vii	Claims made by workers against the Company (mainly relating to matters like termination, compensation etc.)	1,172.08	1,191.61
viii	Demands from Director General of Foreign Trade against Advance License	4.79	4.79
ix	The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:	-	-
	In case of Mafatlal Centre:		
	a) A demand for ₹ 2,696.98 lacs (Previous year ₹ 2,712.47 lacs) for the period from 01.04.2008 to 31.03.2010 has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by various owners for the respective floors. No demand is raised in respect of common areas / properties in the name of the Company. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld the amount will be paid by the concerned co-owners and the Company will have no additional liability		
	b) Pursuant to introduction of new system of capital based assessment of Property Taxes, there is an outstanding demand for ₹ 378.21 lacs (Previous year ₹ 196.30 lacs) for the period from 01.04.2010 to 31.03.2014 in respect of the properties owned by various owners for the respective floors and in respect of common areas / properties in the name of the Company. The demand has been challenged by various owners and / or the Company before appropriate forum. The demand of ₹ 378.21 lacs will be paid by the concerned co-owners and the Company will have no liability on account of the same.		
	In case of Mafatlal Chambers:		
	a) A demand for ₹ 378.51 lacs (Previous year ₹ 378.51 lacs) for earlier years has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by the Company for the respective floor.		
	b) Pursuant to introduction of new system of capital based assessment of Property Taxes, a demand for ₹ 887.80 lacs for the period from 01.04.2010 to 31.03.2014 (Previous year ₹ 576.03 lacs upto 31.03.2013) has been raised in respect of the properties owned by various owners for the respective floors and in respect of common areas / properties in the name of the Company. The demand has been challenged by various owners and / or the Company before appropriate forum. In case the demand is finally upheld, the Company will have to pay ₹ 97.01 lacs. Of this demand, ₹ 75.16 lacs has been deposited upto 31.03.2014. Balance demand of ₹ 812.64 lacs (₹ 887.80 lacs less ₹ 75.16 lacs) will be paid by the concerned co-owners and the Company will have no liability on account of the same.		
	In the above matters (i) to (ix), the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.		
(b)	Guarantees given on behalf of Subsidiary Company – Ibiza Industries Limited. (The subsidiary company is currently under liquidation)	850.28	850.28
30.2	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
	Tangible assets	128.09	1,178.26
30.3	I. MISHAPAR INVESTMENTS LIMITED (MISHAPAR):		
	a) During the previous year, pursuant to the Scheme of Arrangement and Amalgamation (the "Scheme"), Mishapar Investments Limited (the "Transferor Company" or "Mishapar") had merged with the Company (the "Transferee Company"), upon which the undertaking and the entire business, including all assets and liabilities of Mishapar stood transferred to and vested in the Transferee Company with effect from 1st April 2012. The Scheme became effective on 28th May, 2013 and was given effect to in the previous year. The amalgamation had been accounted under the "Purchase Method" as envisaged under the Scheme and the Accounting Standard (AS) – 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006.		



## Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ in Lacs

Note	Particulars	As at 31st March, 2014	As at 31st March, 2013
	b) Since Mishapar was Wholly Owned Subsidiary of the Transferee Company, there was no consideration payable or receivable on implementation of the Scheme. The entire issued, subscribed and paid-up Share Capital had been cancelled against the corresponding investment of the Transferee Company and an amount of ₹ 3,931.71 lacs being excess of carrying value of the investments in the Transferee Company (₹ 4,800.10 lacs) over the Net Assets acquired (₹ 868.39 lacs) was debited to Goodwill pursuant to the Scheme approved by the Honourable High Court of Judicature at Mumbai. The Goodwill so arising was charged off to the Statement of Profit and Loss of the Transferee Company and the charge so arising was set-off in the Statement of Profit and Loss against the balance available in the Securities Premium Account. Also, 388 equity shares of ₹ 10 each held by Mishapar in the share capital of the Transferee Company stood cancelled pursuant to the Scheme.		

c) Particulars of assets and liabilities taken over on amalgamation:

Particulars	Previous year ended 31 March, 2013 ₹ in lacs
Non-current investments	5,132.40
Current assets	2,602.52
<b>TOTAL ASSETS - (A)</b>	<b>7,734.92</b>
Unsecured loans	2,465.25
Provisions	43.08
Trade payables	4,329.61
Other Current Liabilities	28.59
<b>TOTAL LIABILITIES - (B)</b>	<b>6,866.53</b>
<b>Net Assets (A-B)</b>	<b>868.39</b>

II. MAFATLAL DENIM LIMITED (MDL):

- a) During the previous year, in terms of the Scheme of Arrangement and Amalgamation (the "Scheme"), Mafatlal Denim Limited (the "Transferor Company" or "MDL") had merged with the Company (the "Transferee Company"), upon which the undertaking and the entire business, including all the assets and liabilities of MDL stood transferred to and vested in the Transferee Company with effect from 1st April 2012. The Scheme approved by the Honourable High Court of Judicature at Gujarat, became effective on 28th May, 2013 and was given effect to in the previous year. The assets and liabilities were transferred at their respective book values under the "Pooling of Interest Method" as envisaged under the Scheme and the Accounting Standard (AS) – 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006.

b) Particulars of assets and liabilities taken over on amalgamation:

Particulars	Previous year ended 31 March, 2013 ₹ in lacs
Fixed Assets	7,818.06
Non-Current Assets	366.63
Current Assets	9,476.09
<b>TOTAL ASSETS - (A)</b>	<b>17,660.78</b>
Secured Loans	7,627.89
Provisions	266.27
Trade Payables	1,634.53
Current Liabilities	4,813.24
<b>TOTAL LIABILITIES - (B)</b>	<b>14,341.93</b>
<b>Net Assets (A-B)</b>	<b>3,318.85</b>

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ in Lacs

Note	Particulars	As at 31st March, 2014	As at 31st March, 2013
30.4	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:</b>		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	63.35	-
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	0.06
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.08
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	0.08
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Company has not received intimation from most of the suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006.		
30.5	As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 83.61 lacs upto 31st March, 2014 (₹ 186.29 lacs upto 31st March, 2013), pending final resolution of the legal dispute with certain 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 ₹ 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 ₹ 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, ₹ 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 ₹ 577.89 lacs has been included in Other Current Liabilities (Refer Note no. 11 and Note no. 16).		
30.6	Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges		
	Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:		

Name of the party	Relationship	Amount outstanding as at 31st March, 2014	Maximum balance outstanding during the year
Repal Apparel Private Limited- Loan *	Subsidiary (upto 25.03.2014)	-	-
		(7.55)	(7.55)
Sunanda Industries Limited- Loan*	Subsidiary (Currently under liquidation)	-	-
		(144.95)	(144.95)
Mafatlal Global Apparels Limited- Inter Corporate Deposit	Associate	244.00	278.12
		(227.00)	(338.57)

\* These loans are interest free and with no repayment schedule.

Note: Figures in () relate to the previous year.

### 30.7 Details on derivatives instruments and unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31st March, 2014		As at 31st March, 2013	
Receivable/Payable	Receivable/Payable in Foreign currency	Receivable/Payable	Receivable/Payable in Foreign currency
₹ in Lacs	(Amount in Foreign currency) (in lacs)	₹ in Lacs	(Amount in Foreign currency) (in lacs)
<b>Receivable against export of goods</b>			
721.34	USD 11.68	355.10	USD 6.57
128.28	EURO 1.53	20.48	EURO 0.30
6.33	CHF 0.09	NIL	NIL
<b>Payable against export commission/Advances</b>			
187.70	USD 3.08	167.40	USD 3.09
4.37	EURO 0.05	12.79	EURO 0.18

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### 30.8 Value of imports calculated on CIF basis :

₹ In lacs		
Particulars	Current year	Previous year
Raw Materials	329.83	1,440.74
Stores and Spare parts	1,751.92	666.14
Capital Goods	29.66	3,036.25
<b>Total</b>	<b>2,111.41</b>	<b>5,143.13</b>

### 30.9 Expenditure in foreign currency (accrual basis) :

₹ In lacs		
Particulars	Current year	Previous year
Travelling	44.84	35.77
Commission	98.78	118.58
Other matters (includes amount capitalised ₹ 56.11 lacs; Previous year ₹ NIL)	113.18	92.78
<b>Total</b>	<b>256.80</b>	<b>247.13</b>

### 30.10 Details of consumption of imported and indigenous items :

₹ In lacs		
Particulars	Current Year (Previous year)	
	₹ in Lacs	%
<b>Imported</b>		
Raw Materials	409.16	1.54%
	(373.44)	(1.84%)
Stores and Spare parts	2,028.52	23.64%
	(1,925.97)	(26.99%)
<b>Total</b>	<b>2,437.68</b>	
	(2,299.41)	
<b>Indigenous</b>		
Raw materials	26,080.72	98.46%
	(19,896.20)	(98.16%)
Stores & Spare parts	6,552.93	76.36%
	(5,209.76)	(73.01%)
<b>Total</b>	<b>32,633.65</b>	
	(25,105.96)	

Note: Figures / percentages in ( ) relates to the previous year

### 30.11 Earnings in foreign exchange:

₹ In lacs		
Particulars	Current year	Previous year
Direct Export of goods calculated on FOB basis	10,382.10	6,551.86

### 30.12 Details of research and development expenditure:

₹ In lacs		
Particulars	Current year	Previous year
<b>Recognised as an expense:</b>		
Employee benefits expense	53.77	44.93
Consumables	4.58	2.76
Repairs and Maintenance	-	10.61
Depreciation and amortisation expenses	24.69	0.05
<b>Total</b>	<b>83.04</b>	<b>58.35</b>
<b>Capital Expenditure</b>	<b>319.71</b>	<b>-</b>

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

30.13 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 ₹ 232.07 lacs (Shri V. P. Mafatlal – ₹ 114.79 lacs and Shri Rajiv Dayal – ₹ 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 ₹ 78.61 lacs. As required by law, necessary application will be made to the Central Government in this regard.

30.14 Project Development expenses capitalised during the year:

₹ In lacs		
Particulars	Current year	Previous year
Stores and Spares	421.43	-
Power and Fuel	258.37	-
Salaries and Wages	129.81	-
Total Cost	809.61	-
Less : Trial Run recovery	(467.08)	-
<b>Total</b>	<b>342.54</b>	<b>-</b>

30.15 In the earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.

30.16 Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10/- each, fully paid-up, in SSL for every 500 shares of ₹100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 1.00 lac. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Company would receive proportionate payment in consideration thereof. The Company has received the said amount of ₹1.00 lac from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

### 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ In lacs		
Particulars	Current year	Previous year
<b>31.1 Details of leasing arrangements</b>		
<u>As Lessor:</u>		
The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.		
Future minimum lease payments		
not later than one year	226.87	103.98
later than one year and not later than five years	807.97	210.51
<b>Total</b>	<b>1,034.84</b>	<b>314.49</b>
Depreciation recognised on the leased assets	4.05	2.15
<u>As Lessee:</u>		
The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 9 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases.		

## Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	Current year	Previous year
Future minimum lease payments		
not later than one year	285.43	215.91
later than one year and not later than five years	1,203.16	1,126.75
later than five years	581.67	567.09
<b>Total</b>	<b>2,070.26</b>	<b>1,909.75</b>
Lease payments recognised in the Statement of Profit and Loss	307.72	233.96

₹ In lacs

Particulars	Current year	Previous year
<b>31.2 Earnings per share</b>		
Net Profit for the year attributable to the equity shareholders	2,393.38	3,715.93
Weighted average number of equity shares outstanding during the year (refer note below)	13,912,886	13,912,886
Par value per share	10.00	10.00
Earnings per share - Basic and Diluted	17.20	26.71
<b>Note :</b> Weighted average number of equity shares outstanding during the year :		
Equity shares at the beginning of the year	9,813,471	9,813,860
Add : Shares issued/ to be issued pursuant to scheme of amalgamation (Refer Note no.3 and Note no.30.3)	4,099,415	4,099,415
Less : Shares cancelled pursuant to scheme of amalgamation (Refer Note no.3 and Note no.30.3)/ other adjustments.	-	388
Weighted average number of shares outstanding during the year	13,912,886	13,912,886

### 31.3 Segment Information

As per the Accounting standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

### 31.4 Employee benefit plans

#### a) **Defined contribution plans**

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to ₹ 619.46 lacs (Previous year ₹ 526.66 lacs).

#### b) **Defined benefit plans**

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.



## Notes forming part of Financial Statements for the year ended 31st March, 2014

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

		₹ In lacs
Particulars	Current year	Previous year
<b>Components of employer expense</b>		
Current service cost	145.59	116.75
Interest cost	231.22	193.50
Expected return on plan assets	(171.59)	(160.79)
Actuarial losses/(gains)	(418.70)	313.78
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>(213.48)</b>	<b>463.24</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	95.14	137.63
Actual contributions	18.86	37.47
<b>Net Liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(2,694.45)	(2,812.60)
Fair value of plan assets	2,094.25	1,980.06
Unrecognised past service costs	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>(600.20)</b>	<b>(832.54)</b>
(Since the balance in the fund was higher than the defined benefit obligation for one of the divisions by ₹11.35 lacs as at 31st March, 2013, no asset to this extent was recognised in the books)		
<b>Change in defined benefit obligations (DBO) during the year including of amalgamated companies</b>		
Present value of DBO at beginning of the year	(2,812.60)	(2,276.43)
Current service cost	(145.59)	(116.75)
Interest cost	(231.22)	(193.50)
Actuarial (gains) / losses	399.82	(363.54)
Benefits paid	95.14	137.63
Present value of DBO at the end of the year	<b>(2,694.45)</b>	<b>(2,812.60)</b>
<b>Change in fair value of assets during the year including of amalgamated companies</b>		
Plan assets at beginning of the year	1,980.06	1,869.67
Expected return on plan assets	171.59	160.79
Actual company contributions	18.86	37.47
Actuarial gain	18.88	49.76
Benefits paid	(95.14)	(137.63)
Plan assets at the end of the year	<b>2,094.25</b>	<b>1,980.06</b>
Actual return on plan assets	190.47	210.55
<b>Composition of the plan assets is as follows:</b>		
Government bonds	Nil	Nil
PSU bonds	Nil	Nil

## Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	Current year	Previous year
Others	Nil	Nil
Insurer Managed Funds	100.00%	100.00%
Deposits with Nationalised Banks	Nil	Nil
Various Debt Instruments	Nil	Nil
<b>Actuarial assumptions</b>		
Discount rate	9.31% - 9.36%	8.00% - 8.25%
Expected return on plan assets	8.70%	8.50% - 8.70%
Salary escalation	4.00%	5.00% - 7.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	350.52	261.01

### Experience adjustments

₹ In lacs

Gratuity	Current Year ended 31st March, 2014	Previous Year 31st March, 2013	(9 months ended 31st March, 2012)	(13 months ended 30th June, 2011)	(14 months ended 31st May, 2010)
Experience gain / (loss) adjustments on plan liabilities	153.09	281.08	274.99	131.94	283.07
Experience gain / (loss) adjustments on plan assets	18.88	49.76	111.58	0.42	(5.61)

### Long term Compensated absences

₹ In lacs

Particulars	Current year	Previous year
<b>Actuarial assumptions</b>		
Discount rate	9.31% - 9.36%	8.00%
Salary escalation	4.00%	5.00% - 7.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 647.16 lacs (Previous year ₹ 629.24 lacs). Net charge for the year ₹ 166.78 lacs (Previous year ₹ 276.25 lacs).

**■ Notes forming part of Financial Statements for the year ended 31st March, 2014**

**31.5 Related Parties Transactions**

**Details of Related Parties**

**A Subsidiary Companies**

Mafatlal Services Limited  
Ibiza Industries Limited (also a joint venture) (currently under liquidation)  
Sunanda Industries Limited (currently under liquidation)  
Mayflower Textiles Private Limited (upto 25.03.2014)  
Myrtle Textiles Private Limited (upto 25.03.2014)  
Repal Apparel Private Limited (upto 25.03.2014)  
Mafatlal Global Apparel Limited (upto 29.09.2012)  
Silvia Apparel Limited (upto 30.03.2013)

**B Jointly Controlled Entity**

AL Fahim Mafatlal Textiles LLC- A Joint Venture with Al Fahim Linez LLC- (UAE) (Refer Note no.31.6)

**C Associates**

Mafatlal Global Apparel Limited (since 29.09.2012)  
Mafatlal V. K. Intex Limited (upto 25.03.2014)  
Mafatlal Engineering Industries Limited (currently under liquidation)  
Mafatlal Limited - (Incorporated in United Kingdom) (currently under liquidation)  
Sushmita Engineering and Trading Limited (upto 25.03.2014)  
Repos Trading Company Limited (upto 25.03.2014)

**D Key Management Personnel**

H. A. Mafatlal (upto 28.05.2013)  
Rajiv Dayal  
V. P. Mafatlal

**E Relatives of Key Management Personnel**

Rupal V. Mafatlal  
Rekha H. Mafatlal (upto 28.05.2013)  
Priyavrata H. Mafatlal (upto 28.05.2013)

**F Enterprises over which key management personnel and their relatives are able to exercise significant influence**

NOCIL Limited  
Navin Flourine International Limited  
Sulakshana Securities Limited  
Krishnadeep Housing Development Private Limited  
Mafatlal Impex Private Limited  
Mafatlal Fabrics Private Limited  
Myrtle Chemtex Trading Private Limited  
Aureole Clothing Private Limited



## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

### G Individual having significant influence

H.A. Mafatlal (since 29.05.2013)

### H Relatives of Individual having significant influence

Rekha H. Mafatlal (since 29.05.2013)

Priyavrata H. Mafatlal (since 29.05.2013)

### I Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence

Sukarma Investments Private Limited

Suremi Trading Private Limited

Altamount Product and Services Private Limited

Silvia Apparel Limited (since 31.03.2013)

### Details of transactions with related parties during the year :

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Other Operation Revenues</b>										<b>119.54</b>
										215.07
Sulakshana Securities Limited	-	-	-	-	-	15.44	-	-	-	15.44
	-	-	-	-	-	37.77	-	-	-	37.77
NOCIL Limited	-	-	-	-	-	13.81	-	-	-	13.81
	-	-	-	-	-	37.92	-	-	-	37.92
Krishnadeep Housing Development Private Limited	-	-	-	-	-	11.97	-	-	-	11.97
	-	-	-	-	-	7.36	-	-	-	7.36
Navin Fluorine International Limited	-	-	-	-	-	78.32	-	-	-	78.32
	-	-	-	-	-	132.02	-	-	-	132.02
<b>Rent from Property (Income)</b>										<b>0.66</b>
										0.66
Krishnadeep Housing Development Private Limited	-	-	-	-	-	0.66	-	-	-	0.66
	-	-	-	-	-	0.66	-	-	-	0.66
<b>Interest Income</b>										<b>40.89</b>
										15.45
Mafatlal Global Apparel Ltd	-	-	-	-	-	-	-	-	-	-
	5.62	-	9.52	-	-	-	-	-	-	15.14
Mafatlal Impex Pvt Ltd.	-	-	-	-	-	15.30	-	-	-	15.30
	-	-	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	14.72	14.72
	-	-	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	10.87	10.87
	-	-	-	-	-	-	-	-	-	-



# Notes forming part of Financial Statements for the year ended 31st March, 2014

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.31	-	-	-	0.31
<b>Dividend Income</b>										<b>166.72</b>
										278.79
NOCIL Ltd	-	-	-	<b>138.22</b>	-	-	-	-	-	<b>138.22</b>
	-	-	-	138.22	-	-	-	-	-	138.22
Navin Fluorine International Limited	-	-	-	<b>28.50</b>	-	-	-	-	-	<b>28.50</b>
	-	-	-	140.57	-	-	-	-	-	140.57
<b>Receiving of Services (Expense)</b>										<b>20.95</b>
										26.03
Mafatlal Services Limited	<b>20.95</b>	-	-	-	-	-	-	-	-	<b>20.95</b>
	10.62	-	-	-	-	-	-	-	-	10.62
Sulakshana Securities Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	15.41	-	-	-	15.41
<b>Reimbursement of Expenses</b>										<b>0.45</b>
										15.30
NOCIL Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1.25	-	-	-	1.25
Navin Fluorine International Limited	-	-	-	-	-	<b>0.45</b>	-	-	-	<b>0.45</b>
	-	-	-	-	-	14.05	-	-	-	14.05
<b>Purchase of Goods &amp; Services</b>										<b>19.57</b>
										0.13
Mafatlal Global Apparel Limited	-	-	<b>19.29</b>	-	-	-	-	-	-	<b>19.29</b>
	-	-	-	-	-	-	-	-	-	-
Navin Fluorine International Limited	-	-	-	-	-	<b>0.28</b>	-	-	-	<b>0.28</b>
	-	-	-	-	-	0.13	-	-	-	0.13
<b>Sale of Goods &amp; Services</b>										<b>161.17</b>
										380.68
Mafatlal Impex Pvt Ltd.	-	-	-	-	-	<b>0.25</b>	-	-	-	<b>0.25</b>
	-	-	-	-	-	-	-	-	-	-
AL Fahim Mafatlal Textiles LLC	-	<b>0.99</b>	-	-	-	-	-	-	-	<b>0.99</b>
	-	-	-	-	-	-	-	-	-	-
Mafatlal Global Apparel Limited	-	-	<b>159.93</b>	-	-	-	-	-	-	<b>159.93</b>
	229.04	-	151.64	-	-	-	-	-	-	380.68
<b>Remuneration</b>										<b>250.47</b>
										157.79

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
Priyavrata H. Mafatlal	-	-	-	-	2.92	-	-	15.47	-	18.39
	-	-	-	-	15.22	-	-	-	-	15.22
Vishad P. Mafatlal (Refer Note no. 30.13)	-	-	-	114.79	-	-	-	-	-	114.79
	-	-	-	56.42	-	-	-	-	-	56.42
Rajiv Dayal (Refer Note no. 30.13)	-	-	-	117.29	-	-	-	-	-	117.29
	-	-	-	86.15	-	-	-	-	-	86.15
<b>Commission Paid</b>										-
										54.00
Vishad P. Mafatlal	-	-	-	-	-	-	-	-	-	-
	-	-	-	27.00	-	-	-	-	-	27.00
Rajiv Dayal	-	-	-	-	-	-	-	-	-	-
	-	-	-	27.00	-	-	-	-	-	27.00
<b>Sitting Fees</b>										0.80
										0.63
H.A. Mafatlal	-	-	-	-	-	-	0.70	-	-	0.70
	-	-	-	0.18	-	-	-	-	-	0.18
Rajiv Dayal	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.25	-	-	-	-	-	0.25
Vishad Mafatlal	-	-	-	0.10	-	-	-	-	-	0.10
	-	-	-	0.20	-	-	-	-	-	0.20
<b>Commission to Non-whole time director</b>										1.87
										-
H.A. Mafatlal	-	-	-	-	-	-	1.87	-	-	1.87
	-	-	-	-	-	-	-	-	-	-
<b>Dividend paid</b>										346.81
										-
H.A. Mafatlal	-	-	-	-	-	-	41.08	-	-	41.08
	-	-	-	-	-	-	-	-	-	-
Rekha H. Mafatlal	-	-	-	-	-	-	-	40.21	-	40.21
	-	-	-	-	-	-	-	-	-	-
Priyavrata H. Mafatlal	-	-	-	-	-	-	-	27.71	-	27.71
	-	-	-	-	-	-	-	-	-	-
Vishad Mafatlal	-	-	-	60.58	-	-	-	-	-	60.58
	-	-	-	-	-	-	-	-	-	-
Rupal V. Mafatlal	-	-	-	-	60.17	-	-	-	-	60.17
	-	-	-	-	-	-	-	-	-	-
NOCIL Limited	-	-	-	-	-	28.32	-	-	-	28.32
	-	-	-	-	-	-	-	-	-	-
Navin Fluorine International Limited	-	-	-	-	-	88.74	-	-	-	88.74
	-	-	-	-	-	-	-	-	-	-

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Sale of Uniforms/ Readymade garments</b>										<b>5.51</b>
										6.20
Navin Fluorine International Limited	-	-	-	-	-	5.51	-	-	-	5.51
	-	-	-	-	-	6.20	-	-	-	6.20
<b>Provision for doubtful loans &amp; advances during the year</b>										<b>10.50</b>
										4.99
Sunanda Industries Ltd	-	-	-	-	-	-	-	-	-	-
	3.84	-	-	-	-	-	-	-	-	3.84
Silvia Apparel Limited	-	-	-	-	-	-	-	-	10.50	10.50
	-	-	-	-	-	-	-	-	-	-
Repos Trading Company Limited.	-	-	-	-	-	-	-	-	-	-
	-	1.15	-	-	-	-	-	-	-	1.15
<b>Credit notes accounted (Sales)</b>										<b>163.48</b>
										-
Mafatlal Global Apparel Limited	-	-	163.48	-	-	-	-	-	-	163.48
	-	-	-	-	-	-	-	-	-	-
<b>Sale of Investments to</b>										<b>1.10</b>
										1.00
Aureole Clothing Private Limited	-	-	-	-	-	1.10	-	-	-	1.10
	-	-	-	-	-	-	-	-	-	-
Myrtle Chemtex Trading Private Limited (Equity Shares of Silvia Apparel Limited)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1.00	-	-	-	1.00
<b>Equity shares issued to (Refer Note no. 30.3)</b>										<b>384.93</b>
										-
Navin Fluorine International Limited	-	-	-	-	-	177.46				177.46
	-	-	-	-	-	-				-
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	83.92	83.92
	-	-	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	17.09	17.09
	-	-	-	-	-	-	-	-	-	-
Altamount Product and Services Private Limited	-	-	-	-	-	-	-	-	106.46	106.46
	-	-	-	-	-	-	-	-	-	-

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Redemption of Preference Shares</b>										<b>3,000.00</b>
										-
Navin Fluorine International Limited	-	-	-	-	-	3,000.00	-	-	-	- 3,000.00
	-	-	-	-	-	-	-	-	-	-
<b>Investments made in Equity Shares</b>										-
										22.73
AL Fahim Mafatlal Textiles LLC- A Joint Venture with Al Fahim Linez LLC- (UAE)	-	-	-	-	-	-	-	-	-	-
	-	22.73	-	-	-	-	-	-	-	22.73
<b>Loans Given</b>										<b>35.50</b>
										356.44
Mafatlal Global Apparel Limited	-	-	25.00	-	-	-	-	-	-	- 25.00
	32.00	-	298.00	-	-	-	-	-	-	- 330.00
Repos Trading Company Limited	-	-	-	-	-	-	-	-	-	-
	-	-	1.15	-	-	-	-	-	-	1.15
Sunanda Industries Limited	-	-	-	-	-	-	-	-	-	-
	4.59	-	-	-	-	-	-	-	-	4.59
Silvia Apparel Limited	-	-	-	-	-	-	-	-	10.50	10.50
	20.70	-	-	-	-	-	-	-	-	20.70
<b>Advance Given</b>										<b>10.28</b>
										24.60
Sulakshana Securities Limited	-	-	-	-	-	10.28	-	-	-	10.28
	-	-	-	-	-	12.70	-	-	-	12.70
Mafatlal Impex Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	11.90	-	-	-	11.90
<b>Advance Refunded</b>										<b>0.10</b>
										2.70
Sulakshana Securities Limited	-	-	-	-	-	0.10	-	-	-	0.10
	-	-	-	-	-	2.70	-	-	-	2.70
<b>Advance write off / adjusted against provision of doubtful Loans and advances including interest accrued</b>										<b>193.12</b>
										-
Repos Trading Company Limited	-	-	1.42	-	-	-	-	-	-	- 1.42
	-	-	-	-	-	-	-	-	-	-
Mafatlal V. K. Intex Limited	-	-	1.50	-	-	-	-	-	-	- 1.50
	-	-	-	-	-	-	-	-	-	-
Repal Apparel Private Limited	7.55	-	-	-	-	-	-	-	-	- 7.55
	-	-	-	-	-	-	-	-	-	-

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
Aureole Clothing Private Limited	-	-	-	-	-	37.70	-	-	-	37.70
Sunanda Industries Limited	144.95	-	-	-	-	-	-	-	-	144.95
<b>Repayment of Loan by Companies</b>										18.92
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	-	187.25
	99.00	-	84.00	-	-	-	-	-	-	183.00
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3.50	-	-	-	3.50
Mafatlal Fabrics Private Limited	-	-	-	-	-	18.92	-	-	-	18.92
Sunanda Industries Limited	-	-	-	-	-	-	-	-	-	-
	0.75	-	-	-	-	-	-	-	-	0.75
<b>Interest Accrued paid</b>										-
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-	-	0.99
	-	-	-	-	-	0.99	-	-	-	0.99
<b>Advance Taken</b>										155.06
Navin Fluorine International Limited	-	-	-	-	-	155.06	-	-	-	103.37
	-	-	-	-	-	103.37	-	-	-	103.37
<b>Interest w/off</b>										7.87
Mafatlal Global Apparel Limited	-	-	7.87	-	-	-	-	-	-	7.87
	-	-	-	-	-	-	-	-	-	-
<b>Advance Repaid</b>										166.73
Navin Fluorine International Limited	-	-	-	-	-	166.73	-	-	-	103.37
	-	-	-	-	-	103.37	-	-	-	103.37
<b>Provision for doubtful loans &amp; advances - as at March 31, 2014</b>										141.80
Repos Trading Company Limited	-	-	-	-	-	-	-	-	-	324.42
	-	-	1.42	-	-	-	-	-	-	1.42
Silvia Apparel Limited	-	-	-	-	-	-	-	-	141.80	141.80
	-	-	-	-	-	-	-	-	131.30	131.30
Repal Apparel Private Limited	-	-	-	-	-	-	-	-	-	-
	7.55	-	-	-	-	-	-	-	-	7.55
Sunanda Industries Limited	-	-	-	-	-	-	-	-	-	-
	144.95	-	-	-	-	-	-	-	-	144.95
Aureole Clothing Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	37.70	-	-	-	37.70

**Notes forming part of Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence	Total
Mafatlal V. K. Intex Limited	-	-	-	-	-	-	-	-	-	-
	-	-	1.50	-	-	-	-	-	-	1.50
<b>Amount due from - as at March 31, 2014</b>										<b>1,557.24</b>
										1,185.24
NOCIL Limited	-	-	-	-	-	1.09	-	-	-	1.09
	-	-	-	-	-	0.57	-	-	-	0.57
Sunanda Industries Limited	-	-	-	-	-	-	-	-	-	-
	144.95	-	-	-	-	-	-	-	-	144.95
Mafatlal Impex Private Limited (Advances)	-	-	-	-	-	310.92	-	-	-	310.92
	-	-	-	-	-	297.15	-	-	-	297.15
Mafatlal Global Apparel Limited (Loans)	-	-	244.00	-	-	-	-	-	-	244.00
	-	-	227.00	-	-	-	-	-	-	227.00
Mafatlal Global Apparel Limited (Trade Receivable )	-	-	288.64	-	-	-	-	-	-	288.64
	-	-	407.18	-	-	-	-	-	-	407.18
Repos Trading Company Limited (Loans)	-	-	-	-	-	-	-	-	-	-
	-	-	1.42	-	-	-	-	-	-	1.42
Repal Apparel Private Limited	-	-	-	-	-	-	-	-	-	-
	7.55	-	-	-	-	-	-	-	-	7.55
Rajiv Dayal ( Loan )	-	-	-	83.76	-	-	-	-	-	83.76
	-	-	-	88.09	-	-	-	-	-	88.09
Krishnadeep Housing Development Private Limited	-	-	-	-	-	12.63	-	-	-	12.63
	-	-	-	-	-	11.33	-	-	-	11.33
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	247.50	247.50
	-	-	-	-	-	-	-	-	-	-
Silvia Apparel Limited	-	-	-	-	-	-	-	-	141.80	141.80
	-	-	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	226.90	226.90
	-	-	-	-	-	-	-	-	-	-
<b>Amount due to - as at March 31, 2014</b>										<b>4.56</b>
										25.00
Sulakhshana Securities Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	10.18	-	-	-	10.18
Mafatlal Services Limited	4.56	-	-	-	-	-	-	-	-	4.56
	3.14	-	-	-	-	-	-	-	-	3.14
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	11.68	-	-	-	11.68
<b>Guarantees Outstanding</b>										<b>850.28</b>
										850.28
Ibiza Industries Limited	850.28	-	-	-	-	-	-	-	-	850.28
	850.28	-	-	-	-	-	-	-	-	850.28

Figures in italics represents previous year figures.

## ■ Notes forming part of Financial Statements for the year ended 31st March, 2014

- 31.6 Details of the Company's interest in Joint Venture having Joint Control, as per the requirements of Accounting Standard-27 on Financial Reporting of Interests in Joint Ventures notified under the Companies (Accounting Standards) Rules, 2006 is as under:

### Interest in joint ventures

The Company has interests in the following joint ventures - Jointly controlled entities (JCE):

Name of joint venture and country of incorporation	% of interest	Amount of interest based on accounts for the year ended 31st March, 2014 (Amount in Lacs)					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Al Fahim Mafatlal Textile LLC, UAE	49	66.19	65.09	206.73	225.64	NIL	NIL
	(49)	(45.17)	(25.38)	(NIL)	(2.94)	(NIL)	(NIL)

The Joint Venture has come in to existence in the previous year.

Note: Figures in brackets relate to the previous year.

- 32.1 The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

₹ In lacs

	Year ended 31 March, 2014	Year ended 31 March, 2013
Year to which Dividend relates	2012-13	-
Number of non-resident shareholders	150	-
Number of shares held by them on which dividend is due	57,942	-
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lacs	2.90	-

- 32.2 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- 32.3 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

H. A. Mafatlal  
Chairman  
V. P. Mafatlal  
Vice Chairman

Rajiv Dayal  
Managing Director &  
Chief Executive Officer

P. R. Amin  
P. J. Desai  
N. K. Parikh  
A. K. Srivastava  
V. R. Gupte  
P. N. Kapadia

Directors

Rasesh Shah  
Company Secretary

Mumbai, Dated: 30th May, 2014



# INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

MAFATLAL INDUSTRIES LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of MAFATLAL INDUSTRIES LIMITED (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23(Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of

the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## Basis for Qualified Opinion

- 1. Attention is invited to Note no.30.6, regarding non – accounting of income from rent and other charges aggregating to ₹ 83.61 lacs upto 31st March, 2014 (₹186.29 lacs upto 31st March, 2013) 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' referred to in Section 211(3C) of the Act; if the same is considered, rental income from investment property would be higher by aggregate amount of ₹ 83.61 lacs (aggregate upto 31st March 2013, ₹ 186.29 lacs), income tax, net profit and shareholder's funds would have been increased by ₹ 17.53 lacs, ₹ 66.08 lacs and by ₹ 66.08 lacs respectively (previous year ended 31st March 2013: increased by ₹ 60.45 lacs, ₹ 125.84 lacs and by ₹ 125.84 lacs respectively). This matter was also qualified in our report on the consolidated financial statements for the year ended 31st March 2013.*
- 2. The consolidated financial statements include the unaudited financial information of one jointly controlled entity(Previous year ended 31st March, 2013: one jointly controlled entity), whose financial information reflect total assets (net) of ₹ 66.19 lacs as at 31st March, 2014 (As at 31st March, 2013: ₹ 45.17 lacs), total revenue of ₹ 206.73 lacs(Previous year ended 31st March, 2013: ₹ Nil) and net cash flows amounting to ₹ -28.92 lacs(Previous year ended 31st March, 2013: ₹ 33.79) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of the jointly controlled entity, is based solely on such unaudited financial information.*

3. *In the previous year the financial statements of one subsidiary and four associates were not available for consolidation. This was a subject matter of our report qualified in the previous year.*

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in sub-para 1 and possible effects of the matter described in sub-para 2 (sub- paras (2) and (3) in the previous year)* of the Basis for Qualified Opinion paragraph above, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary and the associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note no.30.9 to the financial statements regarding managerial remuneration for which the Central Government's approval is required.

Our opinion is not qualified in respect of this matter.

#### Other Matter

We did not audit the financial statements of one subsidiary whose financial statement reflect total assets (net) of ₹ 53.48 lacs as at 31st March, 2014, total revenues of ₹ 24.04 lacs and net cash flows amounting to ₹ -0.89 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 124.00 lacs for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

(R. Salivati)  
(Partner)  
(Membership No.34004)

MUMBAI, 30th May, 2014

## Consolidated Balance Sheet as at 31st March, 2014

(₹ in lacs)			
	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,391.22	4,391.22
(b) Reserves and surplus	4	33,222.78	31,458.80
		<b>34,614.00</b>	<b>35,850.02</b>
<b>2 Minority Interest</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	3,847.79	5,306.94
(b) Deferred tax liabilities (net)	6	255.00	425.00
(c) Other Long term liabilities	7	262.28	207.51
(d) Long-term provisions	8	951.15	1,116.16
		<b>5,316.22</b>	<b>7,055.61</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	9	6,725.52	3,694.00
(b) Trade payables	10	12,859.51	10,139.48
(c) Other current liabilities	11	4,417.64	4,757.88
(d) Short-term provisions	12	1,557.05	1,795.26
		<b>25,559.72</b>	<b>20,386.62</b>
<b>Total</b>		<b>65,489.94</b>	<b>63,292.25</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13(a)	15,706.99	9,309.63
(ii) Intangible assets	13(b)	110.32	8.08
(iii) Capital work-in-progress		1,459.51	6,248.53
(iv) Intangible assets under development		-	81.84
		<b>17,276.82</b>	<b>15,648.08</b>
(b) Goodwill on consolidation		-	-
(c) Non-current investments	14	4,718.63	4,849.05
(d) Long-term loans and advances	15	4,257.54	4,175.53
(e) Other non-current assets	16	603.95	69.34
		<b>26,856.94</b>	<b>24,742.00</b>
<b>2 Current assets</b>			
(a) Inventories	17	12,369.85	10,663.20
(b) Trade receivables	18	13,939.62	12,250.89
(c) Cash and bank balances	19	10,199.20	14,187.35
(d) Short-term loans and advances	20	1,692.89	1,309.92
(e) Other current assets	21	431.44	138.89
		<b>38,633.00</b>	<b>38,550.25</b>
<b>Total</b>		<b>65,489.94</b>	<b>63,292.25</b>

Significant accounting policies 2

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board of Directors

H. A. Mafatlal  
Chairman  
V. P. Mafatlal  
Vice Chairman

Rajiv Dayal  
Managing Director &  
Chief Executive Officer

P. R. Amin  
P. J. Desai  
N. K. Parikh  
A. K. Srivastava  
V. R. Gupta  
P. N. Kapadia

Directors

(R. SALIVATI)  
Partner

Rasesh Shah  
Company Secretary

Mumbai, Dated:30th May, 2014

Mumbai, Dated:30th May, 2014

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(₹ in lacs)

	Note No.	Current year	Previous year
1 Revenue from operations	22	91,978.79	79,749.07
2 Other income	23	1,781.89	4,303.46
3 Total revenue ( 1 + 2 )		<b>93,760.68</b>	<b>84,052.53</b>
4 Expenses			
(a) Cost of materials consumed	24(a)	26,489.88	20,269.64
(b) Purchases of stock-in-trade (Trading Activity)	24(b)	33,778.95	29,567.17
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24(c)	(2,668.59)	(2,571.68)
(d) Employee benefits expense (Net)	25	8,155.26	7,500.09
(e) Finance costs (Net)	26	1,489.45	3,199.92
(f) Depreciation and amortization expense	27	1,835.72	1,444.05
(g) Other expenses	28	23,410.68	20,286.29
Total expenses		<b>92,491.35</b>	<b>79,695.48</b>
5 Profit before exceptional items and tax (3 - 4)		1,269.33	4,357.05
6 Exceptional items	29		
(a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.		-	3,931.71
Less: Adjusted from Securities Premium Account (Refer Note no. 30.3)		-	(3,931.71)
		-	-
(b) Other Exceptional items		736.77	697.74
		736.77	697.74
7 Profit before tax (5+6)		2,006.10	5,054.79
8 Tax (expense) / benefit :			
(a) Current tax expense		(356.00)	(825.02)
(b) Less: MAT credit		356.00	-
(c) Excess/ (Short) provision for tax relating to prior years		200.21	(86.89)
(d) Net Current tax benefit/ (expense) (a+b+c)		200.21	(911.91)
(e) Deferred tax credit/ (charge)		170.00	(425.00)
Net tax benefit/ (expense) (d+e)		<b>370.21</b>	<b>(1,336.91)</b>
9 Profit after tax before Share of Profit in Associate and Minority Interest for the year (7+8)		2,376.31	3,717.88
Share of (Losses) in Associate		(124.00)	-
Profit for the year		<b>2,252.31</b>	<b>3,717.88</b>
10 Earnings per share (on face value of ` 10/- each) - (Refer Note no. 31.2)			
(a) Basic		16.19	26.72
(b) Diluted		16.19	26.72
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board of Directors

H. A. Mafatlal  
Chairman  
V. P. Mafatlal  
Vice Chairman

Rajiv Dayal  
Managing Director &  
Chief Executive Officer

P. R. Amin  
P. J. Desai  
N. K. Parikh  
A. K. Srivastava  
V. R. Gupte  
P. N. Kapadia

Directors

(R. SALIVATI)  
Partner

Rasesh Shah  
Company Secretary

Mumbai, Dated:30th May, 2014

Mumbai, Dated:30th May, 2014

## ■ Consolidated Cash Flow Statement for the year ended 31st March, 2014

(₹ in lacs)

	For the Year ended 31st March 2014	For the Year ended 31st March 2013
<b>A. Cash flow from operating activities</b>		
Net Profit after exceptional items and before tax as per the Statement of Profit and Loss	2,006.10	5,054.79
Adjustments for,		
Depreciation and amortization expense	1,835.72	1,444.05
Profit on sale of Non Current investments - Investment Property - Exceptional Items	(731.15)	(701.08)
Profit on sale/disposal of fixed assets (Including- Exceptional Item Rs.5.62 lakhs (Previous Year Rs.363.21 lakhs)	(15.29)	(429.67)
Finance costs on Borrowings	1,521.15	2,286.02
Finance costs on Borrowings TUF Income	(243.13)	(287.83)
Finance Cost on other than Borrowings	211.43	1,201.73
Interest income	(1,054.66)	(1,538.18)
Dividend income	(193.29)	(303.11)
Rental Income on Investment Properties	(276.13)	(222.67)
Profit on sale of long term Investments- (including Rs. 0.05 lac (Previous year Rs.0.99 lac) on sale of Subsidiaries)	(1.10)	(0.99)
Loss on sale of fixed assets sold/scrapped / written off	5.74	33.22
Liabilities/ Provisions no longer required	(258.75)	(252.20)
Debit balances in creditors account written off	31.64	4.89
Bad trade and other receivables/ Loans and advances written off (net)	7.87	81.77
Provision for doubtful debts/ advances	14.47	32.84
Net unrealised exchange (gain)/ loss	(119.56)	(255.86)
<b>Operating profit before working capital changes</b>	<b>2,741.06</b>	<b>6,147.72</b>
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,706.65)	(2,100.14)
Trade receivables	(1,581.01)	(6,705.38)
Short term Loans and advances	(393.47)	(2.88)
Long term loans and advances	413.86	(319.59)
Other Current Assets	(292.55)	12.00
Other non current assets	(534.61)	(47.38)
<i>Adjustments for increase / ( decrease ) in operating liabilities:</i>		
Short Term Provisions	428.35	570.50
Long Term Provisions	(165.01)	(128.73)
Interest accrued and due on other than borrowings	(715.69)	52.06
Other Current Liabilities	497.48	(1,332.94)
Other Long Term Liabilities	54.77	559.12
Trade and other payables	2,947.14	5,864.35
	<b>(1,047.39)</b>	<b>(3,579.02)</b>
<b>Cash generated from Operations</b>	<b>1,693.67</b>	<b>2,568.70</b>
Net income tax (paid) / refunds	(518.59)	(979.50)
<b>Net Cash generated from Operating activities</b>	<b>1,175.08</b>	<b>1,589.20</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(3,600.34)	(5,965.19)
Sale of Fixed Assets	26.10	(985.44)
Sale of Non Current Investments - Sale of Investment Property	735.98	753.00
Purchase of Non Current Investments - Other than Investment Property	-	(990.99)
Purchase and acquisition of an Associate	-	(46.00)

## ■ Consolidated Cash Flow Statement for the year ended 31st March, 2014

(₹ in lacs)

	For the Year ended 31st March 2014	For the Year ended 31st March 2013
Purchase and acquisition of Jointly Controlled Entity	-	(22.73)
Dividend income from long term investments	193.29	303.11
Rental Income on Investment Properties	276.13	222.67
Interest Income	1,054.66	1,538.18
Other Bank balances (Refer Note below) not considered as Cash and Cash Equivalents	(3,795.39)	5,781.85
Proceeds from sale of /disposal of long term investments		
Subsidiaries	0.05	-
Associates	1.06	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(5,108.46)</b>	<b>588.46</b>
<b>C. Cash flow from financing activities</b>		
Redemption of Preference Shares (Refer Note 3(b)(ii))	(3,000.00)	-
Finance Costs	(1,791.57)	(3,102.09)
Proceeds from Short Term Borrowings	3,031.52	2,119.44
Repayments of Long Term Borrowings	(1,284.84)	(1,490.91)
Minority Interest being derecognised	-	(27.05)
Dividend Paid	(686.74)	-
Tax on Dividend	(118.22)	-
<b>Net cash (used in) financing activities</b>	<b>(3,849.85)</b>	<b>(2,500.61)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(7,783.23)</b>	<b>(322.94)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8,457.34</b>	<b>8,763.50</b>
Add: Pursuant to Scheme of Amalgamation (Refer Note no.30.3)	-	56.82
Less: Derecognition of Subsidiaries (Refer Note no. 30.4)	(0.31)	(40.03)
<b>Cash and cash equivalents at the end of the year (Note no. 19)</b>	<b>673.80</b>	<b>8,457.34</b>

**Note:**

From the previous year, the components of Cash and Cash equivalents excluded deposits with original maturity more than 3 months and earmarked balances. Consequently, cash flow from investing activities in the previous year was higher by ₹ 5,781.85 lacs.

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

For and on behalf of the Board of Directors

H. A. Mafatlal  
Chairman  
V. P. Mafatlal  
Vice Chairman

Rajiv Dayal  
Managing Director &  
Chief Executive Officer

P. R. Amin  
P. J. Desai  
N. K. Parikh  
A. K. Srivastava  
V. R. Gupte  
P. N. Kapadia

Directors

(R. SALIVATI)  
Partner

Rasesh Shah  
Company Secretary

Mumbai, Dated: 30th May, 2014

Mumbai, Dated: 30th May, 2014

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### 1. Corporate Information

Mafatlal Industries Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Mumbai and Ahmedabad stock exchanges. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing and trading, having its units at Nadiad and Navsari.

### 2. Significant Accounting Policies

#### a. Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Principles of Consolidation

The subsidiaries are consolidated on a line – by- line basis adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard -21 on "Consolidated Financial Statements". Inter- company transactions and balances are eliminated on consolidation.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associates.

Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures.

Goodwill arising on consolidation is not amortised but tested for impairment.

#### c. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### d. Inventories

Items of inventory are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Stores, spares and raw materials - Weighted average

Process stock and finished goods - Material cost plus appropriate value of overheads

Trading goods – Weighted average cost

Others (land) - At cost on conversion to stock-in trade

#### e. Depreciation on tangible fixed assets

Depreciation is provided using the Straight Line Method, pro-rata to the period of use, as per the useful life of the assets estimated by the management or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Non-Factory Buildings	1.63%	Factory Building	3.34%
Plant & Equipment	10.34%	Computers	16.21%
Furniture & Fixtures	6.33%	Office Equipments	4.75%
Vehicles	9.50%		

Individual assets acquired for less than ₹ 5,000/- are entirely depreciated in the year of acquisition.



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### f. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its' determination or realization exists.

### g. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.

### h. Tangible fixed assets

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

#### Capital Work-in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

### i. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains/ losses on settlement of transactions arising on cancellation/ renewal of forward exchange contracts are recognized as income or expense.

### j. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Tangible Assets.

### k. Employee benefits

a. The Company contributes towards Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes/ rules.

b. Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year / period end.

### l. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### m. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

### n. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.



## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**o. Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

**p. Impairment of tangible assets**

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**q. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statement.

**r. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

**s. Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**t. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**3. SHARE CAPITAL**

	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	14,245,081	1,424.51	10,146,054	1,014.61
Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	60,000,000	6,000.00
Unclassified Shares of ₹ 10 each	85,754,919	8,575.49	29,853,946	2,985.39
<b>Total</b>		<b>10,000.00</b>		<b>10,000.00</b>
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each with voting rights	13,912,886	1,391.28	10,146,054	1,014.61
Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	30,000,000	3,000.00
		<b>1,391.28</b>		<b>4,014.61</b>
<b>(c) Subscribed and fully paid up</b>				
(i) Equity shares of ₹ 10/- each with voting rights (net of 389 Equity shares of ₹ 10/- each cancelled during the previous year pursuant to scheme of Amalgamation (Refer Note No. 30.3)/other adjustment)	13,912,886	1,391.28	9,813,471	981.34
Less: Allotment money/ Calls in arrears		0.06		0.06
		1,391.22		981.28
(ii) Fully Redeemable Non-Cumulative Preference Shares of ₹ 10 each	-	-	30,000,000	3,000.00
		<b>1,391.22</b>		<b>3,981.28</b>
<b>(d) Equity Share Capital Suspense account</b>	-	-	4,099,415	409.94
(Equity shares of ₹ 10/- each to be issued as fully paid-up pursuant to merger of Mafatlal Denim Limited with the Company under the scheme of Amalgamation without the payment being received in cash) (Refer Note no.30.3)				
<b>Total</b>		<b>1,391.22</b>		<b>4,391.22</b>

**a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year (excluding Equity Share Capital Suspense):**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
<b>(i) Equity shares with voting rights</b>				
Opening balance	9,813,471	981.34	9,813,860	981.38
Allotted Pursuant to Scheme of Amalgamation (Refer Note no. 30.3)	4,099,415	409.94	-	-
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
Less: Cancelled Pursuant to Scheme of Amalgamation (Refer Note no. 30.3)/ Other Adjustment	-	-	389	0.04
<b>Closing balance</b>	<b>13,912,886</b>	<b>1,391.22</b>	<b>9,813,471</b>	<b>981.28</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
(ii) Fully Redeemable Non-Cumulative Preference Shares				
Opening balance	30,000,000	3,000	30,000,000	3,000.00
Less: Redeemed during the year	30,000,000	3,000	-	-
Closing balance	-	-	<b>30,000,000</b>	<b>3,000.00</b>

b) (i) **Terms / rights attached to Equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 3/- (Previous year ended 31st March, 2013 ₹ 5/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) **Terms / rights attached to Preference shares:**

In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. 50% of the shares were redeemed during the period ended 31st March, 2012 and remaining 50% of the shares have been redeemed during the current year.

c. **Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity shares of ₹ 10/- each fully paid	31st March, 2014		31st March, 2013	
Name	Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited (Less than 5% in Previous year)	1,774,707	12.76	-	-
V. P. Mafatlal	1,211,581	8.71	1,211,581	12.35
Rupal V. Mafatlal	1,203,465	8.65	1,203,465	12.26
Altamount Products and Services Private Limited (Less than 5% in Previous year)	1,064,443	7.65	-	-
Sukarma Investments Private Limited (Less than 5% in Previous year)	839,173	6.03	-	-
H. A. Mafatlal	821,578	5.90	826,067	8.42
Rekha H. Mafatlal	804,283	5.78	804,283	8.20
NOCIL Limited (Less than 5% in the current year)	-	-	566,320	5.77
Priyavrata H. Mafatlal (Less than 5% in the current year)	-	-	554,232	5.65

Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each fully paid	31st March, 2014		31st March, 2013	
Name	Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited	-	-	30,000,000	100

**■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

- d. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

	Nos.	₹ In lacs.
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

- e. Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:

- (i) During the year 2010-11, 300,00,000 Optionally Convertible Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were converted into 48,13,860 Equity shares of ₹ 10/- each of the Company at a premium of ₹ 52.32 per equity share.
- (ii) During the current year, 40,99,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatlal Denim Limited, as consideration on merger with the Company.

- f. Calls unpaid (by other than officers and directors)

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
Calls Unpaid	0.06	0.06

- g. During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3181 and 3182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

**4 RESERVES AND SURPLUS**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital Reserve no. 1</b>		
Opening balance	61.16	61.16
<b>(b) Capital Reserve no. 2</b>		
Opening balance	41.62	41.62
<b>(c) Capital Reserve no. 3</b>		
Opening balance	-	1,480.29
Less: Adjustment on Amalgamation of a subsidiary (Refer Note no.30.3)	-	(1,480.29)
Closing Balance	-	-
<b>(d) Capital Reserve on Amalgamation</b>		
Opening balance	3,634.48	-
Add: Pursuant to Scheme of Amalgamation (Refer Note No.30.3)	-	3,634.48
Closing balance	3,634.48	3,634.48
<b>(e) Capital Redemption Reserve</b>		
Opening balance	5,383.14	4,200.00
Add: Pursuant to Scheme of Amalgamation (Refer Note No.30.3)	-	1,183.14
Add: Transferred from Surplus in Statement of Profit and Loss	3,000.00	-
Closing balance	8,383.14	5,383.14
<b>(f) Securities Premium Account</b>		
Opening balance	17,452.07	27,557.92
Less: Adjustment on Amalgamation (Refer Note no.30.3) / Derecognition of a subsidiary	-	(6,174.14)
Less: Pursuant to Scheme of Amalgamation (Refer Note No. 30.3)	-	(3,931.71)
Closing balance	17,452.07	17,452.07

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(g) Statutory Reserve</b>		
Opening balance	-	470.66
Less: Adjustment on Amalgamation of a subsidiary (Refer Note no.30.3)	-	(470.66)
Closing balance	-	-
<b>(h) Capital Investment Reserve:</b>		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
<b>(i) Investment Reserve:</b>		
(Taken over from Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on Amalgamation)		
Opening balance	1.78	1.78
<b>(j) Export Profit Reserve</b>		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd. on amalgamation)		
Opening balance	20.00	20.00
<b>(k) General Reserve</b>		
Opening balance	375.00	-
Transferred from Surplus in the Statement of Profit and Loss	245.00	375.00
	620.00	375.00
<b>(l) Surplus in the Statement of Profit and Loss</b>		
Opening balance	4,413.59	(5,589.33)
Add: Pursuant to Scheme of Amalgamation in the Company (Refer Note No.30.3)	-	(1,908.71)
Less: Adjustment on Amalgamation (Refer Note No.30.3)/ Derecognition of subsidiary	-	9,382.61
Add: Profit for the year	2,252.31	3,717.88
	<b>6,665.90</b>	<b>5,602.45</b>
<b>Less: Appropriations</b>		
Transferred to Capital Redemption Reserve on Redemption of Preference Shares	(3,000.00)	-
Transferred to General Reserve	(245.00)	(375.00)
Dividends proposed to be distributed to equity shareholders [Dividend per Share ₹ 3/- (Previous year ₹ 5/-)]	(417.39)	(695.64)
Tax on Dividend	(70.94)	(118.22)
	<b>(3,733.33)</b>	<b>(1,188.86)</b>
Closing balance	<b>2,932.57</b>	<b>4,413.59</b>
<b>Total</b>	<b>33,222.78</b>	<b>31,458.80</b>

## 5 LONG-TERM BORROWINGS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Term Loans</b>		
From Banks - Secured [Refer Note no.(ii)]	2,619.15	3,750.48
From Banks - Secured - Loan for Vehicles [Refer Note no.(iii)]	69.48	42.18
From Others - Secured [Refer Note no.(iv)]	1,157.66	1,510.38
<b>Other Loans and advances</b>		
Unsecured Loans from Related Parties (Refer Note no.(v))	1.50	3.90
<b>Total</b>	<b>3,847.79</b>	<b>5,306.94</b>

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

- (i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.
- (ii) (a) Term loans of ₹ 3,417.15 lacs (Previous year ₹ 4,158.15 lacs) from a bank are repayable in quarterly installments till March 2018. These Loans are secured by a pari passu mortgage / hypothecation charge on the Fixed Assets, including leasehold land and hypothecation charge on all current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 15.50% to 16.00% p.a. (Previous year 15.75% p.a.)
- (b) Term loan of ₹ 500.00 lacs (Previous year ₹ 750.00 lacs) from a bank is repayable in monthly installments till October 2014. The Loan is secured by a pari passu mortgage / hypothecation charge on the Current Assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Base Rates. The effective rate of interest for the year was in the range of 13.75% to 14% p.a (Previous year 13.75% p.a.)
- (iii) Loans for Vehicles from Banks is secured by hypothecation of respective vehicles. The Loan carries interest in the range of 10.50% to 11% p.a. (Previous year 11% p.a.)
- (iv) (a) Term loan of ₹ 899.25 lacs (Previous year ₹ 1,094.25 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by a pari passu mortgage / hypothecation charge on the Company's Fixed Assets, including leasehold land and hypothecation charge on all current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was at 16.75% p.a. (Previous year 16.50% to 16.75% p.a)
- (b) Term loan of ₹ 611.13 lacs (Previous year Rs 743.65 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by pari passu hypothecation charge on the current assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carries interest @ 12.25% p.a.
- (v) Terms of repayment: Interest free loan payable on demand

### 6 DEFERRED TAX LIABILITIES (NET)

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	1,991.61	1,419.56
<b>Tax effect of items constituting deferred tax liability</b>	<b>1,991.61</b>	<b>1,419.56</b>
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	124.64	176.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,349.59	817.62
Unabsorbed depreciation carried forward	262.38	-
<b>Tax effect of items constituting deferred tax assets</b>	<b>1,736.61</b>	<b>994.56</b>
<b>Net deferred tax liability (net)</b>	<b>(255.00)</b>	<b>(425.00)</b>

Note: The Company has recognised deferred tax asset on unabosorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under income tax.

### 7 OTHER LONG-TERM LIABILITIES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
(i) Trade/ Security deposits received	225.20	204.60
(ii) Others - advances	37.08	2.91
<b>Total</b>	<b>262.28</b>	<b>207.51</b>

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### 8 LONG-TERM PROVISIONS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no. 31.4)	480.02	502.95
(ii) Provision for Gratuity (Refer Note no. 31.4)	471.13	613.21
<b>Total</b>	<b>951.15</b>	<b>1,116.16</b>

### 9 SHORT-TERM BORROWINGS

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>Loans repayable on demand</b>		
From Banks		
Secured * - Overdraft facility from Banks	5,880.65	2,760.18
Secured ** - Cash credit from Banks	844.87	933.82
<b>Total</b>	<b>6,725.52</b>	<b>3,694.00</b>

\* Secured against Fixed Deposits of ₹ 7,420.00 lacs, maturing on various dates, last date of maturity 15th March, 2015. (Previous year: ₹ 3,013.00 lacs, last date of maturity 15th March, 2014).

\*\* Secured by pari passu charge on the current assets and a second Mortgage/ Hypothecation charge on the Fixed assets of erstwhile Mafatlal Denim Limited and pledge by promoters/ promoter companies of certain shareholding in the Company. The cash credit is repayable on demand and carry an interest @ 14.5% p.a. (Previous year 14.5% p.a).

### 10 TRADE PAYABLES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
Other than acceptances	12,794.42	10,139.48
Other than acceptances - share of Jointly Controlled Entity	65.09	-
<b>Total</b>	<b>12,859.51</b>	<b>10,139.48</b>

### 11 OTHER CURRENT LIABILITIES

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of long-term debt (Refer Note No. 5 Long Term Borrowings for details of securities)		
(i) From Banks - Secured	1,298.00	1,157.67
(ii) From Banks - Secured Loans for Vehicles	22.42	16.04
(iii) From Financial Institutions - Secured	352.72	327.52
(b) Interest accrued but not due on borrowings	6.71	308.81
(c) Unpaid dividends	8.90	-
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	527.98	488.56
(ii) Payables on purchase of fixed assets	12.01	-
(iii) Contractually reimbursable expenses	1.31	2.10
(iv) Interest accrued on other than borrowings	923.48	1,639.17
(v) Trade / security deposits received	37.25	24.34

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
(vi) (a) Advances from customers	187.77	287.35
(b) Advance from customers -Share of jointly controlled entity	-	25.38
(vii) Other advances (Refer Note no. 30.7)	577.89	-
(viii) Others includes Voluntary Retirement Scheme, electricity dues.	461.20	480.94
<b>Total</b>	<b>4,417.64</b>	<b>4,757.88</b>

**12 SHORT-TERM PROVISIONS**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Provision for employee benefits</b>		
Provision for Compensated absences (Refer Note no.31.4)	174.53	132.88
Provision for Gratuity ( Refer Note no. 31.4)	133.45	235.06
	<b>307.98</b>	<b>367.94</b>
<b>(b) Provisions - Others</b>		
(i) Provision for tax (net of advance tax ₹ 10,783.15 lacs (As at 31st March, 2013 ₹ 1,804.90 lacs) )	759.20	612.11
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹ 39.05 lacs (As at 31st March, 2013 ₹ 39.05 lacs))	0.40	0.40
(iii) Provision for Wealth Tax (net )	1.14	0.95
(iv) Provision for Proposed Equity dividend	417.39	695.64
(v) Provision for tax on Proposed dividend	70.94	118.22
	1,249.07	1,427.32
<b>Total</b>	<b>1,557.05</b>	<b>1,795.26</b>

**13 (a) FIXED ASSETS**

(₹ in lacs)

Tangible assets	Gross block								
	Balance as at 1st April, 2013	Additions	Additions on account of joint ventures	Disposals	Acquisitions through business combinations	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March 2014
<b>(a) Land</b>									
Freehold	21.08	-	-	-	-	-	-	-	21.08
(Previous year)	(21.08)	-	-	-	-	-	-	-	(21.08)
Leasehold	0.08	-	-	-	-	-	-	-	0.08
(Previous year)	(0.08)	-	-	-	-	-	-	-	(0.08)
	21.16	-	-	-	-	-	-	-	21.16
(Previous year)	(21.16)	-	-	-	-	-	-	-	(21.16)
<b>(b) Buildings</b>									
Own use	4,037.72	295.87	-	-	-	-	-	-	4,333.59
(Previous year)	(1,551.04)	(15.63)	-	-	(2,471.05)	-	-	-	(4,037.72)
Given under operating lease	63.60	-	-	-	-	-	-	-	63.60
(Previous year)	(63.60)	-	-	-	-	-	-	-	(63.60)
	4,101.32	295.87	-	-	-	-	-	-	4,397.19
(Previous year)	(1,614.64)	(15.63)	-	-	(2,471.05)	-	-	-	(4,101.32)



**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(₹ in lacs)

Tangible assets	Gross block								
	Balance as at 1st April, 2013	Additions	Additions on account of joint ventures	Disposals	Acquisitions through business combinations	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March 2014
<b>(c) Plant and Equipment</b>									
Owned	35,300.21	7,637.88	-	457.04	-	-	-	2.53	42,483.58
(Previous year)	(17,389.46)	(866.67)	-	(2,590.00)	(19,633.26)	-	-	(0.82)	(35,300.21)
	35,300.21	7,637.88	-	457.04	-	-	-	2.53	42,483.58
(Previous year)	(17,389.46)	(866.67)	-	(2,590.00)	(19,633.26)	-	-	(0.82)	(35,300.21)
<b>(d) Furniture and Fixtures</b>									
Owned	276.23	147.91	2.72	5.14	-	-	-	(1.92)	419.80
(Previous year)	(211.57)	(43.07)	-	(37.78)	(83.59)	-	-	24.22	(276.23)
	276.23	147.91	2.72	5.14	-	-	-	(1.92)	419.80
(Previous year)	(211.57)	(43.07)	-	(37.78)	(83.59)	-	-	24.22	(276.23)
<b>(e) Vehicles</b>									
Owned	260.76	108.38	-	11.02	-	-	-	-	358.12
(Previous year)	(124.67)	(85.74)	-	(30.04)	(80.39)	-	-	-	(260.76)
	260.76	108.38	-	11.02	-	-	-	-	358.12
(Previous year)	(124.67)	(85.74)	-	(30.04)	(80.39)	-	-	-	(260.76)
<b>(f) Office equipment</b>									
Owned	813.88	40.00	1.57	11.11	-	-	-	(0.61)	843.73
(Previous year)	(695.46)	(120.70)	-	(139.27)	(113.59)	-	-	(23.40)	(813.88)
	813.88	40.00	1.57	11.11	-	-	-	(0.61)	843.73
(Previous year)	(695.46)	(120.70)	-	(139.27)	(113.59)	-	-	(23.40)	(813.88)
<b>(g) Leasehold improvements</b>									
Owned	256.82	-	-	-	-	-	-	-	256.82
(Previous year)	-	(256.82)	-	-	-	-	-	-	(256.82)
<b>(h) Railway sidings</b>									
Owned	2.70	-	-	-	-	-	-	-	2.70
(Previous year)	(2.70)	-	-	-	-	-	-	-	(2.70)
<b>Total</b>	<b>41,033.08</b>	<b>8,230.04</b>	<b>4.29</b>	<b>484.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,783.10</b>
(Previous year)	(20,059.66)	(1,388.63)	-	(2,797.09)	(22,381.88)	-	-	-	(41,033.08)

**13(a) FIXED ASSETS (Contd...)**

(₹ in lacs)

Tangible assets	Accumulated depreciation and impairment							Net block	
	Balance as at 1st April, 2013	Depreciation/ amortisation expense for the year	Depreciation/ amortisation expense for the year on account of joint ventures	Eliminated on disposal of assets	Acquisitions through business combinations	Other adjustments	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
(a) Land									
Freehold	-	-	-	-	-	-	-	21.08	21.08
(Previous year)	-	-	-	-	-	-	-	(21.08)	
Leasehold	-	-	-	-	-	-	-	0.08	0.08
(Previous year)	-	-	-	-	-	-	-	(0.08)	
	-	-	-	-	-	-	-	21.16	21.16
(Previous year)	-	-	-	-	-	-	-	(21.16)	

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(₹ in lacs)

Tangible assets	Accumulated depreciation and impairment						Net block		
	Balance as at 1st April, 2013	Depreciation/amortisation expense for the year	Depreciation/amortisation expense for the year on account of joint ventures	Eliminated on disposal of assets	Acquisitions through business combinations	Other adjustments	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
<b>(b) Buildings</b>							-		
Own use	1,893.44	122.60	-	-	-	-	2,016.04	2,317.55	2,144.28
(Previous year)	(880.38)	(114.12)	-	-	(898.94)	-	(1,893.44)	(2,144.28)	
Given under operating lease	14.27	1.04	-	-	-	-	15.31	48.29	49.33
(Previous year)	(13.23)	(1.04)	-	-	-	-	(14.27)	(49.33)	
	1,907.71	123.64	-	-	-	-	2,031.35	2,365.84	2,193.61
(Previous year)	(893.61)	(115.16)	-	-	(898.94)	-	(1,907.71)	(2,193.61)	-
<b>(c) Plant and Equipment</b>							-		
Owned	28,879.50	1,596.85	-	453.14	-	2.27	30,025.48	12,458.10	6,420.71
(Previous year)	(16,697.53)	(1,242.17)	-	(2,530.96)	(13,469.98)	(0.78)	(28,879.50)	(6,420.71)	
	28,879.50	1,596.85	-	453.14	-	2.27	30,025.48	12,458.10	6,420.71
(Previous year)	(16,697.53)	(1,242.17)	-	(2,530.96)	(13,469.98)	(0.78)	(28,879.50)	(6,420.71)	-
<b>(d) Furniture and Fixtures</b>							-		
Owned	222.08	7.84	0.68	4.75	-	(0.38)	225.47	194.33	54.15
(Previous year)	(193.33)	(4.74)	-	(28.69)	(75.66)	(22.96)	(222.08)	(54.15)	
	222.08	7.84	0.68	4.75	-	(0.38)	225.47	194.33	54.15
(Previous year)	(193.33)	(4.74)	-	(28.69)	(75.66)	(22.96)	(222.08)	(54.15)	-
<b>(e) Vehicles</b>							-		
Owned	85.82	26.74	-	8.24	-	-	104.32	253.80	174.94
(Previous year)	(55.45)	(19.62)	-	(21.03)	(31.78)	-	(85.82)	(174.94)	
	85.82	26.74	-	8.24	-	-	104.32	253.80	174.94
(Previous year)	(55.45)	(19.62)	-	(21.03)	(31.78)	-	(85.82)	(174.94)	-
<b>(f) Office equipment</b>							-		
Owned	607.01	44.68	0.44	10.62	-	(1.89)	639.62	204.11	206.87
(Previous year)	(577.91)	(37.77)	-	(119.12)	(88.27)	(22.18)	(607.01)	(206.87)	
	607.01	44.68	0.44	10.62	-	(1.89)	639.62	204.11	206.87
(Previous year)	(577.91)	(37.77)	-	(119.12)	(88.27)	(22.18)	(607.01)	(206.87)	-
<b>(g) Leasehold improvements</b>							-		
Owned	18.76	28.54	-	-	-	-	47.30	209.52	238.06
(Previous year)	-	(18.76)	-	-	-	-	(18.76)	(238.06)	
	18.76	28.54	-	-	-	-	47.30	209.52	238.06
(Previous year)	-	(18.76)	-	-	-	-	(18.76)	(238.06)	-
<b>(h) Railway sidings</b>							-		
Owned	2.57	-	-	-	-	-	2.57	0.13	0.13
(Previous year)	(2.57)	-	-	-	-	-	(2.57)	(0.13)	
	2.57	-	-	-	-	-	2.57	0.13	0.13
(Previous year)	(2.57)	-	-	-	-	-	(2.57)	(0.13)	-
<b>Total</b>	<b>31,723.45</b>	<b>1,828.29</b>	<b>1.12</b>	<b>476.75</b>	<b>-</b>	<b>-</b>	<b>33,076.11</b>	<b>15,706.99</b>	<b>9,309.63</b>
(Previous year)	(18,420.40)	(1,438.22)	-	(2,699.80)	(14,564.63)	(-)	(31,723.45)	(9,309.63)	-

Note:

Building include ₹ 12.86 lacs (Previous year ₹ 12.86 lacs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2500/-, under the bye-laws of the society.

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**13(b) FIXED ASSETS**

(₹ in lacs)

Intangible assets	Gross block					
	Balance as at 1st April, 2013	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2014
(a) Computer software						
Owned	12.80	105.54	-	-	-	118.34
(Previous year)	-	(12.80)	-	-	-	(12.80)
<b>Total</b>	<b>12.80</b>	<b>105.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.34</b>
(Previous year)	-	(12.80)	-	-	-	(12.80)

**13(b) FIXED ASSETS (Contd...)**

(₹ in lacs)

Intangible assets	Accumulated depreciation and impairment				Net block	
	Balance as at 1st April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
(a) Computer software						
Owned	4.72	3.30	-	8.02	110.32	8.08
(Previous year)	-	(4.72)	-	(4.72)	(8.08)	-
<b>Total</b>	<b>4.72</b>	<b>3.30</b>	<b>-</b>	<b>8.02</b>	<b>110.32</b>	<b>8.08</b>
(Previous year)	-	(4.72)	-	(4.72)	(8.08)	-

**14 INVESTMENTS (LONG TERM )**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Investment Properties	57.99	64.21
(b) Equity Instruments	4,960.25	4,960.25
Less Share of Losses in Associates	124.00	-
(c) Government Securities	2.89	2.89
(d) Debentures and Bonds	20.50	20.50
(e) Mutual Funds	46.30	46.30
(f) Partnership Firms	-	0.20
Less Provision for Diminution	(245.30)	(245.30)
	<b>4,718.63</b>	<b>4,849.05</b>

₹ In lacs

	Cost	Market Value
Aggregate value of quoted investments	<b>4,557.50</b>	<b>5,146.22</b>
	4,557.50	4,480.53
Aggregate value of unquoted investments	<b>161.13</b>	
	291.55	
<b>Total</b>	<b>4,718.63</b>	
	4,849.05	

Figures in italics are as at 31st March, 2013.

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**15 LONG-TERM LOANS AND ADVANCES**

₹ In lacs

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital advances</b>		
Unsecured, considered good	53.15	424.80
<b>(b) Security deposits</b>		
Unsecured, considered good	737.14	1,075.78
Doubtful	83.20	83.20
Less: Provision for doubtful deposits	(83.20)	(83.20)
	<b>737.14</b>	<b>1,075.78</b>
<b>(c) Loans and advances to related parties (Refer Note no. 31.5)</b>		
Unsecured, considered good	1,091.72	592.88
Doubtful	141.80	-
Less: Provision for doubtful loans and advances	(141.80)	-
	<b>1,091.72</b>	<b>592.88</b>
<b>(d) Loans and advances to employees</b>		
Secured, considered good		
Unsecured, considered good	12.05	4.66
Doubtful	1.64	1.64
Less: Provision for doubtful loans and advances	(1.64)	(1.64)
	<b>12.05</b>	<b>4.66</b>
<b>(e) Advance income tax (net of provisions ₹ 150.76 lacs (As at 31st March, 2013 ₹ 12,423.63 lacs) - Unsecured, considered good</b>	<b>1,524.94</b>	<b>1,382.82</b>
<b>(f) Advance Fringe Benefit tax (net of provisions Rs. NIL (As at 31st March, 2013 ₹ NIL) - Unsecured, considered good</b>	<b>-</b>	<b>2.25</b>
<b>(g) MAT credit entitlement</b>	<b>356.00</b>	<b>-</b>
<b>(h) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	14.99	17.78
(ii) VAT credit receivable	11.49	7.92
(ii) Service Tax credit receivable	37.25	41.44
(iii) Deposit with Excise authorities in Escrow account	359.26	359.31
Doubtful		
Disputed Central excise deposits	22.54	22.54
Less: Provision for doubtful loans and advances	(22.54)	(22.54)
	<b>422.99</b>	<b>426.45</b>
<b>(i) Other loans and advances</b>		
Unsecured, considered good		
Deposits recoverable from parties	30.64	242.75
Lease rent/utilities equalisation	28.91	23.14
Doubtful	9.75	141.55
Less: Provision for other doubtful loans and advances	(9.75)	(141.55)
	<b>59.55</b>	<b>265.89</b>
<b>Total</b>	<b>4,257.54</b>	<b>4,175.53</b>

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### 16 OTHER NON CURRENT ASSETS

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Accruals		
(i) Interest accrued on deposits	3.91	3.91
(ii) Interest accrued on investments	6.88	6.88
(iii) Interest accrued on loans to staff	15.16	13.16
(b) Others		
(i) Balances with Banks in Earmarked accounts (Refer Note no. 30.6)	578.00	45.39
<b>Total</b>	<b>603.95</b>	<b>69.34</b>

### 17 INVENTORIES (at lower of cost and net realizable value)

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Raw materials	1,541.10	2,524.36
(b) Work in progress	5,402.63	4,665.78
(c) Finished goods	2,667.50	2,075.13
(d) (i) Stock in trade (Traded goods) includes material in transit ₹ 106.26 lacs (Previous year ₹ NIL)	1,932.60	593.65
(ii) Stock in trade (Traded goods) Share of jointly controlled entity	0.42	-
(e) Stores and spares	825.02	803.70
(f) Others (Land)	0.58	0.58
<b>Total</b>	<b>12,369.85</b>	<b>10,663.20</b>

### 18 TRADE RECEIVABLES

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,097.40	448.13
Doubtful	93.81	89.85
	1,191.21	537.98
Less: provision for doubtful trade receivables	93.81	89.85
	<b>1,097.40</b>	<b>448.13</b>
Other Trade receivables		
Trade receivables - Share of jointly controlled entity	51.04	-
Unsecured, considered good	12,791.18	11,802.76
	<b>12,842.22</b>	<b>11,802.76</b>
<b>Total</b>	<b>13,939.62</b>	<b>12,250.89</b>

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**19 CASH AND BANK BALANCES**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>A Cash and Cash equivalents</b>		
(a) Cash on hand	20.19	24.06
(b) Cheques on hand	30.77	41.14
(c) Balances with Banks:		
(i) (a) In Current accounts	602.88	1,485.87
(b) In Current accounts - Share of jointly controlled entity	4.87	33.79
(ii) In deposit accounts - Original maturity of 3 months or less	15.09	6,872.48
<b>Total - Cash and cash equivalents (A)</b>	<b>673.80</b>	<b>8,457.34</b>
<b>B Other bank balances</b>		
(i) In other deposit accounts - original maturity more than 3 months	1,388.83	1,707.63
(ii) In earmarked accounts		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments	705.95	169.35
(b) Unpaid dividend accounts	8.90	-
<b>Other earmarked accounts</b>		
(iii) Others	-	
-Balance in Fixed Deposits (earmarked for Overdraft Facility)	7,419.85	3,012.94
-Balance in Escrow Current account (Refer Note (i) below)	1.87	140.09
-Balance in Escrow Fixed Deposit account (Refer Note (i) below)	-	700.00
<b>Total - Other bank balances (B)</b>	<b>9,525.40</b>	<b>5,730.01</b>
<b>Total Cash and bank balances (A+B)</b>	<b>10,199.20</b>	<b>14,187.35</b>
(i) Balance in Escrow Current account and Escrow Fixed Deposit account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.		

**20 SHORT TERM LOANS AND ADVANCES**

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Loans and advances to related parties (Refer Note no. 31.5)</b>		
Unsecured		
Considered good	6.20	6.20
Doubtful	-	1.43
Less: Provision for doubtful loans and advances	-	(1.43)
	6.20	6.20
<b>(b) Security deposits</b>		
Secured, considered good		
Unsecured		
Considered good	243.50	215.93
Considered good - share of Jointly Controlled Entity	2.18	-
Doubtful	-	39.20
Less: Provision for doubtful deposits	-	(39.20)
	245.68	215.93

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(c) Loans and advances to employees		
Unsecured, considered good	101.65	45.13
(d) (i) Prepaid expenses - Unsecured, considered good (Insurance premium, Annual maintenance contracts, etc.)	60.75	65.43
(ii) Prepaid expenses - Share of Jointly Controlled Entity (Refer Note no. 31.6)	4.02	-
(e) Balances with government authorities		
Unsecured, considered good		
(i) Custom duty refund receivable	61.55	61.55
(ii) Export Benefit receivable (DEPB)	135.64	68.45
(iii) interest subsidy receivable (TUFS)	116.36	68.20
(iv) MODVAT receivable	-	6.19
(v) Other Export Benefit receivable	369.31	80.42
	<b>682.86</b>	<b>284.81</b>
(f) Others		
Unsecured, considered good		
Trade advances	591.25	681.05
Trade advances - Share of jointly controlled entity	0.48	11.37
Doubtful	13.95	13.95
Less: Provision for other doubtful loans and advances	(13.95)	(13.95)
	<b>591.73</b>	<b>692.42</b>
<b>Total</b>	<b>1,692.89</b>	<b>1,309.92</b>

### 21 OTHER CURRENT ASSETS

₹ In lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accruals		
(i) Interest accrued on deposits with banks	416.56	134.95
(ii) Interest accrued on investments	11.39	3.94
(iii) Interest accrued on loans to staff	3.49	-
<b>Total</b>	<b>431.44</b>	<b>138.89</b>

### 22 REVENUE FROM OPERATIONS

₹ In lacs

Particulars	Current year	Previous year
(a) Sale of products (Refer note (Ib) below)	89,725.95	77,408.31
Sale of products - Share of jointly controlled entity (Refer Note (Ib) below)	206.16	-
(b) Other operating revenues (Refer note (II) below)	2,046.68	2,340.76
<b>Revenue from operations</b>	<b>91,978.79</b>	<b>79,749.07</b>
Note:		
I Sale of products comprises:		
a Manufactured goods		
Cloth	23,796.85	16,366.87
Yarn	62.94	263.99
Denim Fabrics	29,832.12	28,801.28
Garments	66.23	69.92
	<b>53,758.14</b>	<b>45,502.06</b>

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Particulars	Current year	Previous year
<b>b Traded goods</b>		
Cloth	36,173.97	31,906.25
<b>Total - Sale of Traded goods</b>	<b>36,173.97</b>	<b>31,906.25</b>
<b>Total - Sale of Products (a + b)</b>	<b>89,932.11</b>	<b>77,408.31</b>
<b>II Other operating revenues</b>		
Income from waste/scrap sale	391.34	369.22
Processing Charges	30.10	511.20
Duty drawback and other export incentive	498.62	291.59
Rental income from investment property	276.13	222.67
Utility/ Business Service /Air-conditioning charges and other receipts	850.49	946.08
<b>Total</b>	<b>2,046.68</b>	<b>2,340.76</b>

**23 OTHER INCOME**

₹ In lacs

Particulars	Current year	Previous year
Interest income (Refer note 1, below)	1,054.66	1,538.18
Dividend income from long term investments	193.29	303.11
Net gain on sale of long term Investments	1.05	67.45
Net gain on foreign currency transaction and translation	119.56	255.86
Other non-operating income (Refer note 2, below)	411.24	2,127.48
Recovery of expenses Incurred	2.09	11.38
<b>Total</b>	<b>1,781.89</b>	<b>4,303.46</b>
<b>Notes,</b>		
<b>1 Interest income comprises:</b>		
Interest from banks on deposits	896.53	1,412.30
Other interest	158.13	125.88
<b>Total</b>	<b>1,054.66</b>	<b>1,538.18</b>
<b>2 Other non-operating income:</b>		
Miscellaneous income	139.61	479.28
Miscellaneous income -Share of jointly controlled entity	0.46	-
Profit on sale of Fixed assets	9.67	0.23
Relief and concessions on assignment of Liabilities	-	964.05
Profit on disposal of the investment in subsidiary	2.75	431.72
Liabilities/ Provisions no longer required	258.75	252.20
<b>Total</b>	<b>411.24</b>	<b>2,127.48</b>



**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**24(a) COST OF MATERIALS CONSUMED**

₹ In lacs		
Particulars	Current year	Previous year
Opening stock	2,524.36	412.24
Less: Derecognition of a subsidiary	-	140.48
Add: Pursuant to scheme of Amalgamation (Refer Note no.30.3)	-	2,671.70
Add: Purchases	25,506.60	19,850.54
Less: Closing stock	1,541.08	2,524.36
<b>Cost of material consumed</b>	<b>26,489.88</b>	<b>20,269.64</b>
Material consumed comprises:		
Cotton & Fibre	15,942.51	12,429.61
Yarn	7,692.54	6,181.88
Fabrics	2,235.43	763.78
Others	619.40	894.37
<b>Total</b>	<b>26,489.88</b>	<b>20,269.64</b>

**24(b) PURCHASE OF TRADED GOODS**

₹ In lacs		
Particulars	Current year	Previous year
Cloth	33,611.11	29,567.17
Cloth -Share of jointly controlled entity	167.84	-
<b>Total</b>	<b>33,778.95</b>	<b>29,567.17</b>

**24(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

₹ In lacs		
Particulars	Current year	Previous year
<b>Inventories at the end of the period</b>		
Finished goods	2,667.50	2,075.13
Work-in-progress	5,402.63	4,665.78
Stock-in-trade (Traded goods)	1,932.60	593.65
Stock-in-trade (Traded goods)-Share of jointly controlled entity	0.42	-
	<b>10,003.15</b>	<b>7,334.56</b>
<b>Inventories at the beginning of the period</b>		
Finished goods	2,075.13	342.17
Less: Derecognition of a subsidiary	-	(13.20)
Add: Pursuant to scheme of Amalgamation (Refer Note No. 30.3)	-	1,030.59
Work-in-progress	4,665.78	2,358.40
Less: Derecognition of a subsidiary	-	(227.30)
Add: Pursuant to scheme of Amalgamation (Refer Note No. 30.3)	-	1,272.22
	<b>6,740.91</b>	<b>4,762.88</b>
Stock in trade (Trading goods)	593.65	-
Work-in-progress	-	-
	<b>7,334.56</b>	<b>4,762.88</b>
<b>Net increase</b>	<b>2,668.59</b>	<b>2,571.68</b>

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**25 EMPLOYEE BENEFITS EXPENSE**

₹ In lacs

Particulars	Current year	Previous year
Salaries and wages	7,347.44	6,216.85
Salaries and wages -Share of jointly controlled entity	30.82	-
Contributions to provident and other funds (Refer Note 31.4)	642.36	529.41
Gratuity expenses	(213.48)	463.24
Staff welfare expenses	348.12	290.59
<b>Total</b>	<b>8,155.26</b>	<b>7,500.09</b>

**26 FINANCE COSTS**

₹ In lacs

Particulars	Current year	Previous year
(a) Interest expense on:		
(i) Borrowings (Refer Note no. 1)	1,271.05	1,991.00
(ii) Trade payables	95.30	23.65
(iii) Others (includes for delayed payment of income tax and water charges, Bills discounting and employee dues-PF/ESIC interest etc.)	116.13	1,178.08
(b) Other Borrowing costs:	6.97	7.19
<b>Total</b>	<b>1,489.45</b>	<b>3,199.92</b>

Note no. 1

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) ₹ 243.13 lacs (Previous year ₹ 287.83 lacs) and the same has been netted off from interest expense.

**27 DEPRECIATION AND AMORTISATION EXPENSE**

₹ In lacs

Particulars	Current year	Previous year
(Refer note 13a, 13b and 14)		
Depreciation on tangible assets	1,828.29	1,438.22
Depreciation on tangible assets -Share of jointly controlled entity	1.12	-
Amortisation on intangible assets	3.30	4.72
Depreciation on investment property	3.01	1.11
<b>Total</b>	<b>1,835.72</b>	<b>1,444.05</b>

**28 OTHER EXPENSES**

₹ In lacs

Particulars	Current year	Previous year
Consumption of stores and spare parts	8,581.45	7,135.73
Processing Charges	1,822.74	948.89
Power and Fuel	7,264.01	7,071.37
Repairs and maintenance -Buildings	166.37	137.55
Repairs and maintenance -Machinery	319.25	311.50
Repairs and maintenance - Others	38.11	38.05
Insurance	87.50	88.51
Lease Rent (Refer Note no. 31.1)	346.42	259.91
Rates and Taxes (including wealth tax ₹ 1.85 lacs (Previous year ₹ 0.93 lacs))	179.45	393.80

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

₹ In lacs

Particulars	Current year	Previous year
Commission, Brokerage and Discount	1,574.27	1,084.16
Transport and Freight Charges (net)	441.93	273.14
Debit balance of creditors written off	31.64	4.89
Bad trade and other receivables/ Loans & advances w/off	7.87	76.88
Provision for doubtful trade receivables and loans & advances	14.47	32.84
Donations and Contributions	36.74	0.19
Loss on fixed assets sold / scrapped / written off	5.73	33.22
Legal and Professional fees	436.04	552.97
Commission to Non-Executive Directors	15.31	13.50
Payments to Auditors (Refer note (I) below)	53.78	68.80
Director's fees	8.99	4.79
Miscellaneous Expenses	1,952.43	1,752.63
Miscellaneous Expenses - Share of jointly controlled entity	26.18	2.94
Share of Loss from Partnership firm	-	0.03
<b>Total</b>	<b>23,410.68</b>	<b>20,286.29</b>
Note:		
(1) Payments to auditors (excluding service tax)		
Statutory Auditors		
Audit fees	16.07	15.99
For taxation matters	20.15	42.25
For other services	12.00	5.65
Reimbursement of expenses	0.37	0.41
<b>Total</b>	<b>48.59</b>	<b>64.30</b>
Branch Auditors		
Audit fees	2.50	2.00
For taxation matters	0.90	0.70
For other services	1.15	1.18
Reimbursement of expenses	0.64	0.62
<b>Total</b>	<b>5.19</b>	<b>4.50</b>

**29 EXCEPTIONAL ITEMS (NET)**

₹ In lacs

Particulars	Current year	Previous year
(a) Write off of Goodwill arising on amalgamation of Mishapar Investments Ltd.	-	3,931.71
Less: Adjusted from Securities Premium Account (Refer Note no.30.3)	-	(3,931.71)
(b) Other Exceptional items		
Profit on sale of fixed assets	5.62	363.21
Profit on sale of Investment Properties	731.15	701.08
Voluntary Retirement Scheme	-	(113.68)
Interest on deferred payment of electricity dues	-	(252.87)
<b>Total</b>	<b>736.77</b>	<b>697.74</b>

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### 30 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Rupees in Lacs

Note	Particulars	As at 31st March, 2014	As at 31st March, 2013
30.1	Contingent liabilities and commitments (to the extent not provided for)		
(a)	The Company is contingently liable for :		
i	Bills of exchange discounted	574.25	357.63
ii	Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of investment/ loan write off, claim of interest on refund of excise duty/ sales tax, disallowance of chapter VIA deductions, etc. (pending before the Income-tax Appellate Tribunal/ High Court))	730.85	701.32
iii	Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	2,614.89	2,614.89
iv	Demand Notice issued by Commissioner of Central Excise, disputed.	2,960.55	1,453.27
v	Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	113.38	113.38
vi	Concessional customs duty on import of machinery under EPCG Scheme payable subject to fulfillment of mandatory import/ export obligation. The Company has submitted a bond to the authorities of Rs 1,000.00 lacs.	1,198.21	1,136.11
vii	Claims made by workers against the Company (mainly relating to matters like termination, compensation etc).	1,172.08	1,191.61
viii	Demands from Director General of Foreign Trade against Advance License.	4.79	4.79
ix	The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:	-	-
	In case of Mafatlal Centre:		
	a) A demand for ₹ 2,696.98 lacs (Previous year ₹ 2,712.47 lacs) for the period from 01.04.2008 to 31.03.2010 has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by various owners for the respective floors. No demand is raised in respect of common areas / properties in the name of the Company. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld the amount will be paid by the concerned co-owners and the Company will have no additional liability		
	b) Pursuant to introduction of new system of capital based assessment of Property Taxes, there is an outstanding demand for ₹ 378.21 lacs (Previous year ₹ 196.30 lacs) for the period from 01.04.2010 to 31.03.2014 in respect of the properties owned by various owners for the respective floors and in respect of common areas / properties in the name of the Company. The demand has been challenged by various owners and / or the Company before appropriate forum. The demand of ₹ 378.21 lacs will be paid by the concerned co-owners and the Company will have no liability on account of the same.		
	In case of Mafatlal Chambers:		
	a) A demand for ₹ 378.51 lacs (Previous year ₹ 378.51 lacs) for earlier years has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by the Company for the respective floor.		
	b) Pursuant to introduction of new system of capital based assessment of Property Taxes, a demand for ₹ 887.80 lacs for the period from 01.04.2010 to 31.03.2014 (Previous year ₹ 576.03 lacs upto 31.03.2013) has been raised in respect of the properties owned by various owners for the respective floors and in respect of common areas / properties in the name of the Company. The demand has been challenged by various owners and / or the Company before appropriate forum. In case the demand is finally upheld, the Company will have to pay ₹ 97.01 lacs. Of this demand, ₹ 75.16 lacs has been deposited upto 31.03.2014. Balance demand of ₹ 812.64 lacs (₹ 887.80 lacs less ₹ 75.16 lacs) will be paid by the concerned co-owners and the Company will have no liability on account of the same.		
	In the above matters (i) to (ix) , the Group is hopeful of succeeding and as such does not expect any significant liability to crystallize.		
(b)	Guarantees given on behalf of Subsidiary Company – Ibiza Industries Limited. (The subsidiary company is currently under liquidation)	850.28	850.28

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

30.2	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
	Tangible assets	128.09	1,178.26
30.3	I. MISHAPAR INVESTMENTS LIMITED (MISHAPAR):		
	a) During the previous year, pursuant to the Scheme of Arrangement and Amalgamation (the "Scheme"), Mishapar Investments Limited (the "Transferor Company" or "Mishapar") had merged with the Company (the "Transferee Company"), upon which the undertaking and the entire business, including all assets and liabilities of Mishapar stood transferred to and vested in the Transferee Company with effect from 1st April 2012. The Scheme became effective on 28th May, 2013 and was given effect to in the previous year. The amalgamation had been accounted under the "Purchase Method" as envisaged under the Scheme and the Accounting Standard (AS) – 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006.		
	b) Since Mishapar was Wholly Owned Subsidiary of the Transferee Company, there was no consideration payable or receivable on implementation of the Scheme. The entire issued, subscribed and paid-up Share Capital had been cancelled against the corresponding investment of the Transferee Company and an amount of ₹ 3,931.71 lacs being excess of carrying value of the investments in the Transferee Company (₹ 4,800.10 lacs) over the Net Assets acquired (₹ 868.39 lacs) was debited to Goodwill pursuant to the Scheme approved by the Honourable High Court of Judicature at Mumbai. The Goodwill so arising was charged off to the Statement of Profit and Loss of the Transferee Company and the charge so arising was set-off in the Statement of Profit and Loss against the balance available in the Securities Premium Account. Also, 388 equity shares of ₹ 10 each held by Mishapar in the share capital of the Transferee Company stood cancelled pursuant to the Scheme.		
	c) Particulars of assets and liabilities taken over on amalgamation:		
	<b>Particulars</b>	<b>Previous year ended 31 March, 2013</b>	
		<b>₹ in lacs</b>	
	Non-current investments	5,132.40	
	Current assets	2,602.52	
	<b>TOTAL ASSETS - (A)</b>	<b>7,734.92</b>	
	Unsecured loans	2,465.25	
	Provisions	43.08	
	Trade payables	4,329.61	
	Other Current Liabilities	28.59	
	<b>TOTAL LIABILITIES - (B)</b>	<b>6,866.53</b>	
	<b>Net Assets (A-B)</b>	<b>868.39</b>	
II.	MAFATLAL DENIM LIMITED (MDL):		
	a) During the previous year, in terms of the Scheme of Arrangement and Amalgamation (the "Scheme"), Mafatlal Denim Limited (the "Transferor Company" or "MDL") had merged with the Company (the "Transferee Company"), upon which the undertaking and the entire business, including all the assets and liabilities of MDL stood transferred to and vested in the Transferee Company with effect from 1st April 2012. The Scheme approved by the Honourable High Court of Judicature at Gujarat, became effective on 28th May, 2013 and was given effect to in the previous year. The assets and liabilities were transferred at their respective book values under the "Pooling of Interest Method" as envisaged under the Scheme and the Accounting Standard (AS) – 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006.		
	b) Particulars of assets and liabilities taken over on amalgamation:		
	<b>Particulars</b>	<b>Previous year ended 31st March, 2013</b>	
		<b>₹ in lacs</b>	
	Fixed Assets	7,818.06	
	Non-Current Assets	366.63	
	Current Assets	9,476.09	
	<b>TOTAL ASSETS - (A)</b>	<b>17,660.78</b>	
	Secured Loans	7,627.89	
	Provisions	266.27	
	Trade Payables	1,634.53	
	Current Liabilities	4,813.24	
	<b>TOTAL LIABILITIES - (B)</b>	<b>14,341.93</b>	
	<b>Net Assets (A-B)</b>	<b>3,318.85</b>	

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

30.4 The consolidated financial statements of the Group - Mafatlal Industries Limited ("the parent company-MIL) and its subsidiary and a joint venture have been prepared in accordance with Accounting Standard (AS)-21 on 'Consolidated Financial Statements' and Accounting Standard (AS) -27 on 'Financial Reporting of Interests in Joint Venture' -. The details of such enterprises are as under:

Sr. No.	Subsidiaries – all incorporated in India	% Holding of the Company	Date of Financial Statements	
			Current Year	Previous Year
1	Mafatlal Services Limited	88.00%	31st March 2014	31st March 2013
2	Myrtle Textiles Private Limited	100.00%	Not consolidated since ceases to be a Subsidiary w.e.f 25.03.2014	31st March 2013
3	Mayflower Textiles Private Limited	100.00%	Not consolidated since ceases to be a Subsidiary w.e.f 25.03.2014	31st March 2013
4	Ibiza Industries Limited	54.89%	Refer Note (ii) below	Refer Note (ii) below
5	Sunanda Industries Limited	94.00%	Refer Note (ii) below	Refer Note (ii) below
6	Repal Apparel Private Limited	100.00%	Not consolidated since ceases to be a Subsidiary w.e.f 25.03.2014	Refer Note (iii) below
Sr. No.	Subsidiaries – all incorporated in India	% Holding of the Company	Date of Financial Statements	
1	Al Fahim Mafatlal Textile LLC , UAE	49.00%	Refer Note (v) below	Refer Note (v) below

- (i) (a) There has been no change in the percentage holding of the Company in its subsidiaries existing as at the year end 31st March 2014.  
 (b) Sunanda Industries Limited and Ibiza Industries Limited are under liquidation as at the year end.  
 (c) Silvia Apparel Limited in which the Company had held 60% of the capital ceases to be subsidiary on disposal of the shares during the previous year.  
 (d) The Company has sold its investments in two wholly owned subsidiaries namely; Myrtle Textiles Private Limited and Mayflower Textiles Private Limited."
- (ii) Consequent to Ibiza Industries Limited (IIL) continuing to be under liquidation and Sunanda Industries Limited (SIL) which has gone under liquidation during the previous year, the Company effectively has no control over IIL and SIL. Hence, in accordance with the requirements of AS -21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies (Accounting Standards) Rules, 2006, the same has not been consolidated.
- (iii) The accounts of Repal Apparels Private Limited ("Repal") were not available in the previous year. In view of the management, its operations had no significant impact on the revenue, expenses, assets and liabilities of the consolidated accounts. Repal ceases to be a subsidiary during the current year.
- (iv) In case of Mafatlal Services Limited (MSL), some of the employees had been transferred to the other group companies. The gratuity liability in respect of such employees was contributed by MSL to the gratuity fund. Any shortfall arising on the payment thereof would be accounted on cash basis in the year of payment.
- (v) In case of Al Fahim Mafatlal Textile LLC , UAE - the joint venture, in the current year and the previous year, the unaudited financial information have been considered for consolidation.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

30.5 The consolidated financial statements of Mafatlal Industries Limited ("the Company")/MIL and its associates have been prepared in accordance with AS-23 on 'Accounting for Investments in Associates on Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006. The details of such associates are as under:

Particulars			Date of Financial Statements	
Sr. No.	Associates – all incorporated in India unless otherwise stated	% holding of the Company with its subsidiaries	Current Year	Previous Year
1	Mafatlal VK Intex Limited	29.00%	Ceases to be an Associate w.e.f 25.03.2014	31st March 2009
2	Mafatlal Limited (Incorporated in United Kingdom)	29.83%	Refer Note (ii) below	Refer Note (ii) below
3	Sushmita Engineering and Trading Limited	49.35%	Ceases to be an Associate w.e.f 25.03.2014	31st March 2010
4	Mafatlal Engineering Industries Limited	22.18%	Refer Note (ii) below	Refer Note (ii) below
5	Mafatlal Global Apparel Limited (since 29.09.2012)	49.58%	31.03.2014	Refer Note (i) below
6	Repos Trading Company Limited	30.00%	Ceases to be an Associate w.e.f 25.03.2014	Refer Note (iv) below

Notes:

(i) There has been no change in the percentage holding of the Company in its associates existing as at the year end 31st March 2014. Mafatlal Global Apparel Limited had become an associate w.e.f. 29th September 2012.

(ii) The financial statements of Mafatlal Limited (UK) and Mafatlal Engineering Industries Limited were not available for consolidation since they are under liquidation. In view of the Management, their operations have no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements..

(iii) The investments of these associates have been reported at Re.1/- as the company's share of losses exceeds the carrying amount of Investments:

- Mafatlal Engineering Industries Limited
- Mafatlal Limited U.K.

(iv) The financial statements of Mafatlal V. K. Intex Limited, Sushmita Engineering and Trading Limited and Repos Trading Company Limited were not available in the previous year. In view of the management their operations had no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements. The financials statements of Mafatlal Global Apparel Limited were not available in the previous year.

(v) The carrying values (A), post acquisition share in reserves and surplus as at the date of the respective financial statements (B), and carrying amount of investments as at the period end (C) are as under (figures in italics are as at previous period end):

Sr No	Associates – all incorporated in India unless otherwise stated	Carrying Values (A)	Post acquisition share in reserves and surplus as at the date of the respective financial statements (B)	Carrying amount of investments as at the year end
1	Mafatlal VK Intex Limited (upto 25.03.2014)	-	-	-
		44.00	(44.00)	-
2	Mafatlal Limited (Incorporated in United Kingdom)	84.52	(84.52)	-
		84.52	(84.52)	-
3	Sushmita Engineering and Trading Limited (upto 25.03.2014)	-	-	-
		15.38	(15.38)	-
4	Mafatlal Engineering Industries Limited	162.44	(162.44)	-
		162.44	(162.44)	-
5	Mafatlal Global Apparel Limited (Represents Goodwill of ₹ 41.98 lacs)	124.00	(124.00)	-
		124.00	-	124.00
6	Repos Trading Company Limited * (upto 25.03.2014)	-	-	-
		1.00	(1.00)	-
	<b>Total</b>	<b>370.96</b>	<b>(370.96)</b>	<b>-</b>
		431.34	(307.34)	124.00

Figures in ( ) represents loss

\* Amount represents full rupees.

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

- 30.6 As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 83.61 lacs upto 31st March, 2014 (₹ 186.29 lacs upto 31st March, 2013), pending final resolution of the legal dispute with certain 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 ₹ 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 ₹ 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, ₹ 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 ₹ 577.89 lacs has been included in Other Current Liabilities (Refer Note no. 11 and Note no. 16).

- 30.7 Details on derivatives instruments and unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31st March, 2014		As at 31st March, 2013	
Receivable/Payable	Receivable/Payable in Foreign currency	Receivable/Payable	Receivable/Payable in Foreign currency
₹ in Lacs	(Amount in Foreign currency) (in lacs)	₹ in Lacs	(Amount in Foreign currency) (in lacs)
<b>Receivable against export of goods</b>			
721.34	USD 11.68	355.10	USD 6.57
128.28	EURO 1.53	20.48	EURO 0.30
6.33	CHF 0.09		
<b>Payable against export commission/Advances</b>			
187.70	USD 3.08	167.40	USD 3.09
4.37	EURO 0.05	12.79	EURO 0.18

- 30.8 Details of research and development expenditure recognised as an expense

Particulars	₹ In lacs	
	Current year	Previous year
Employee benefits expense	53.77	44.93
Consumables	4.58	2.76
Repairs and Maintenance	-	10.61
Depreciation and amortisation expenses	24.69	0.05
<b>Total</b>	<b>83.04</b>	<b>58.35</b>
Capital Expenditure	319.71	-

- 30.9 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 ₹ 232.07 lacs (Shri V. P. Mafatlal – ₹ 114.79 lacs and Shri Rajiv Dayal – ₹ 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 ₹ 78.61 lacs. As required by law, necessary application will be made to the Central Government in this regard.

- 30.10 Project Development expenses capitalised during the year:

Particulars	₹ In lacs	
	Current year	Previous year
Stores and Spares	421.43	-
Power and Fuel	258.37	-
Salaries and Wages	129.81	-
<b>Total Cost</b>	<b>809.61</b>	-
Less : Trial Run recovery	(467.08)	-
<b>Total</b>	<b>342.54</b>	-



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

- 30.11 In the earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V. J. B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.
- 30.12 Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10/- each, fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 1.00 lac. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Company would receive proportionate payment in consideration thereof. The Company has received the said amount of ₹ 1.00 lac from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

### 31 DISCLOSURES UNDER ACCOUNTING STANDARDS

		₹ In lacs	
Particulars	Current year	Previous year	
<b>31.1 Details of leasing arrangements</b>			
As Lessor:			
The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.			
Future minimum lease payments			
not later than one year	226.87	103.98	
later than one year and not later than five years	807.97	210.51	
<b>Total</b>	<b>1,034.84</b>	<b>314.49</b>	
Depreciation recognised on the leased assets	4.05	2.15	
As Lessee:			
The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 9 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases.			
Future minimum lease payments			
not later than one year	285.43	215.91	
later than one year and not later than five years	1,203.16	1,126.75	
later than five years	581.67	567.09	
<b>Total</b>	<b>2,070.26</b>	<b>1,909.75</b>	
Lease payments recognised in the Statement of Profit and Loss	307.22	233.96	

		₹ In lacs	
Particulars	Current year	Previous year	
<b>31.2 Earnings per share</b>			
Net Profit for the year attributable to the equity shareholders	2,252.31	3,717.88	
Weighted average number of equity shares outstanding during the year (refer note below)	13,912,886	13,912,886	
Par value per share	10.00	10.00	
Earnings per share - Basic and Diluted	16.19	26.72	
Note : Weighted average number of equity shares outstanding during the year:			
Equity shares at the beginning of the year/period	9,813,471	9,813,860	
Add : Shares issued/ to be issued pursuant to scheme of amalgamation (refer note no.3 and note no.30.3)	4,099,415	4,099,415	
Less : Shares cancelled pursuant to scheme of amalgamation (refer note no.3 and note no.30.3)/ other adjustments.	-	388	
Weighted average number of shares	13,912,886	13,912,886	

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

### 31.3 Segment Information

The Company has identified business segment as its primary segment and geographic segment as its secondary segment. The Company operates solely in the Textile business segment.

Secondary segment reporting for geographic segment on the basis of location of customers is as under:

₹ In lacs

Geographic Segment	Revenues from external customers for the year ended 31st March, 2014	Segment assets As at 31st March, 2014	Additions to fixed assets during the year ended 31st March, 2014	Revenues from external customers for the year ended 31st March, 2013	Segment assets As at 31st March, 2013	Additions to fixed assets during the year ended 31st March, 2013
Within India	80,471.48	64,567.80	8,230.04	72,918.36	62,916.67	1,388.63
Outside India	11,507.31	922.14	4.29	6,830.71	375.58	-
<b>Total</b>	<b>91,978.79</b>	<b>65,489.94</b>	<b>8,234.33</b>	<b>79,749.07</b>	<b>63,292.25</b>	<b>1,388.63</b>

### 31.4 Employee benefit plans

#### a) Defined contribution plans

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to ₹ 619.46 lacs (Previous year ₹ 526.66 lacs).

#### b) Defined benefit plans

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

₹ In lacs

Particulars	Current Year	Previous Year
<b>Components of employer expense</b>		
Current service cost	145.59	116.75
Interest cost	231.22	193.50
Expected return on plan assets	(171.59)	(160.79)
Actuarial losses/(gains)	(418.70)	313.78
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>(213.48)</b>	<b>463.24</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	Current Year	Previous Year
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	95.14	137.63
Actual contributions	18.86	37.47
<b>Net Liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(2,694.45)	(2,812.60)
Fair value of plan assets	2,094.25	1,980.06
Unrecognised past service costs	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>(600.20)</b>	<b>(832.54)</b>
(Since the balance in the fund was higher than the defined benefit obligation for one of the divisions by ₹ 11.35 lacs as at 31st March, 2013, no asset to this extent was recognised in the books)		
<b>Change in defined benefit obligations (DBO) during the year including of amalgamated companies</b>		
Present value of DBO at beginning of the year	(2,812.60)	(2,276.43)
Current service cost	(145.59)	(116.75)
Interest cost	(231.22)	(193.50)
Actuarial (gains) / losses	399.82	(363.54)
Benefits paid	95.14	137.63
<b>Present value of DBO at the end of the year</b>	<b>(2,694.45)</b>	<b>(2,812.60)</b>
<b>Change in fair value of assets during the year including of amalgamated companies</b>		
Plan assets at beginning of the year	1,980.06	1,869.67
Expected return on plan assets	171.59	160.79
Actual company contributions	18.86	37.47
Actuarial gain	18.88	49.76
Benefits paid	(95.14)	(137.63)
<b>Plan assets at the end of the year</b>	<b>2,094.25</b>	<b>1,980.06</b>
Actual return on plan assets	190.47	210.55
<b>Composition of the plan assets is as follows:</b>		
Government bonds	Nil	Nil
PSU bonds	Nil	Nil
Others	Nil	Nil
Insurer Managed Funds	100.00%	100.00%
Deposits with Nationalised Banks	Nil	Nil
Various Debt Instruments	Nil	Nil
<b>Actuarial assumptions</b>		
Discount rate	9.31%-9.36%	8.00%-8.25%
Expected return on plan assets	8.70%	8.50%-8.70%



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

₹ In lacs

Particulars	Current Year	Previous Year
Salary escalation	4.00%	5.00%-7.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	350.52	261.01

### Experience adjustments

₹ In lacs

Particulars	Current Year ended 31st March, 2014	Previous Year 31st March, 2013	Previous Period (9 months ended 31st March, 2012)	Previous Period (13 months ended 30th June, 2011)
Experience gain / (loss) adjustments on plan liabilities	153.09	281.08	274.99	131.94
Experience gain / (loss) adjustments on plan assets	18.88	49.76	111.58	0.42

### Long term Compensated absences

₹ In lacs

Particulars	Current year	Previous year
<b>Actuarial assumptions</b>		
Discount rate	9.31% - 9.36%	8.00%
Salary escalation	4.00%	5.00% - 7.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 647.16 lacs (Previous year ₹ 629.24 lacs). Net charge for the year ₹ 166.78 lacs (Previous year ₹ 276.25 lacs).

## ■ **Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

### **31.5 Related Parties Transactions**

#### **Details of Related Parties**

#### **A Associates**

Mafatlal Global Apparel Limited (since 20.09.2012)

Mafatlal V. K. Intex Limited (upto 25.03.2014)

Mafatlal Engineering Industries Limited- currently under liquidation

Mafatlal Limited ( Incorporated in United Kingdom) - currently under liquidation

Sushmita Engineering and Trading Limited (upto 25.03.2014)

Repos Trading Company Limited (upto 25.03.2014)

#### **B Enterprises over which key management personnel and their relatives are able to exercise significant influence**

NOCIL Limited

Navin Fluorine International Limited

Sulakshana Securities Limited

Krishnadeep Housing Development Private Limited

Mafatlal Impex Private Limited

Mafatlal Fabrics Private Limited

Myrtle Chemtex Trading Private Limited

Aureole Clothing Private Limited

#### **C Key Managerial Personnel**

H. A. Mafatlal (upto 28.05.2013)

Rajiv Dayal

V. P. Mafatlal

#### **D Relatives of Key Management Personnel**

Rupal V. Mafatlal

Rekha H. Mafatlal (upto 28.05.2013)

Priyavrata H. Mafatlal (upto 28.05.2013)

#### **E Individual having significant influence**

H.A. Mafatlal (since 29.05.2013)

#### **F Relatives of Individual having significant influence**

Rekha H. Mafatlal (since 29.05.2013)

Priyavrata H. Mafatlal (since 29.05.2013)

#### **G Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.**

Sukarma Investments Private Limited

Suremi Trading Private Limited

Altamount Product and Services Private Limited

Silvia Apparel Limited (since 31.03.2013)

## ■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

Details of transactions with related parties during the year :

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
<b>Rendering of services (Income)</b>								<b>119.54</b>
								215.07
Sulakshana Securities Limited	-	-	-	15.44	-	-	-	15.44
	-	-	-	37.77	-	-	-	37.77
NOCIL Limited	-	-	-	13.81	-	-	-	13.81
	-	-	-	37.92	-	-	-	37.92
Krishnadeep Housing Development Private Limited	-	-	-	11.97	-	-	-	11.97
	-	-	-	7.36	-	-	-	7.36
Navin Fluorine International Limited	-	-	-	78.32	-	-	-	78.32
	-	-	-	132.02	-	-	-	132.02
<b>Rent from Property (Income)</b>								<b>0.66</b>
								0.66
Krishnadeep Housing Development Private Limited	-	-	-	0.66	-	-	-	0.66
	-	-	-	0.66	-	-	-	0.66
<b>Interest Income</b>								<b>40.89</b>
								9.83
Mafatlal Global Apparel Ltd	-	-	-	-	-	-	-	-
	9.52	-	-	-	-	-	-	9.52
Mafatlal Impex Pvt Ltd.	-	-	15.30	-	-	-	-	15.30
	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	14.72	14.72
	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	10.87	10.87
	-	-	-	-	-	-	-	-
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-
	-	-	0.31	-	-	-	-	0.31
<b>Dividend Income</b>								<b>166.72</b>
								278.79
NOCIL Ltd	-	-	-	138.22	-	-	-	138.22
	-	-	-	138.22	-	-	-	138.22
Navin Fluorine International Limited	-	-	-	28.50	-	-	-	28.50
	-	-	-	140.57	-	-	-	140.57
<b>Receiving of Services (Expenses)</b>								<b>-</b>
								15.41
Sulakshana Securities Limited	-	-	-	-	-	-	-	-
	-	-	-	15.41	-	-	-	15.41

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
<b>Reimbursement of Expenses</b>								<b>0.45</b>
								15.30
NOCIL Limited	-	-	-	-	-	-	-	-
	-	-	-	1.25	-	-	-	1.25
Navin Fluorine International Limited	-	-	-	<b>0.45</b>	-	-	-	<b>0.45</b>
	-	-	-	14.05	-	-	-	14.05
<b>Purchase of Goods &amp; Services</b>								<b>19.57</b>
								0.13
Mafatlal Global Apparel Limited	<b>19.29</b>	-	-	-	-	-	-	<b>19.29</b>
	-	-	-	-	-	-	-	-
Navin Fluorine International Limited	-	-	-	<b>0.28</b>	-	-	-	<b>0.28</b>
	-	-	-	0.13	-	-	-	0.13
<b>Sale of Goods &amp; Services</b>								<b>160.18</b>
								151.64
Mafatlal Impex Pvt Ltd.	-	-	-	<b>0.25</b>	-	-	-	<b>0.25</b>
	-	-	-	-	-	-	-	-
Mafatlal Global Apparel Limited	<b>159.93</b>	-	-	-	-	-	-	<b>159.93</b>
	151.64	-	-	-	-	-	-	151.64
<b>Remuneration</b>								<b>250.47</b>
								157.79
Priyavrata H. Mafatlal	-	-	<b>2.92</b>	-	-	<b>15.47</b>	-	<b>18.39</b>
	-	-	15.22	-	-	-	-	15.22
Vishad P. Mafatlal (Refer Note no. 30.9)	-	<b>114.79</b>	-	-	-	-	-	<b>114.79</b>
	-	56.42	-	-	-	-	-	56.42
Rajiv Dayal (Refer Note no. 30.9)	-	<b>117.29</b>	-	-	-	-	-	<b>117.29</b>
	-	86.15	-	-	-	-	-	86.15
<b>Commission paid</b>								-
								54.00
Vishad P. Mafatlal	-	-	-	-	-	-	-	-
	-	27.00	-	-	-	-	-	27.00
Rajiv Dayal	-	-	-	-	-	-	-	-
	-	27.00	-	-	-	-	-	27.00
<b>Sitting Fees</b>								<b>0.80</b>
								0.63
Hrishikesh A. Mafatlal	-	-	-	-	-	<b>0.70</b>	-	<b>0.70</b>
	-	0.18	-	-	-	-	-	0.18
Vishad P. Mafatlal	-	<b>0.10</b>	-	-	-	-	-	<b>0.10</b>
	-	0.20	-	-	-	-	-	0.20
Rajiv Dayal	-	-	-	-	-	-	-	-
	-	0.25	-	-	-	-	-	0.25

**■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
<b>Commission to Non-whole time director</b>								<b>1.87</b>
								-
H.A. Mafatlal	-	-	-	-	1.87	-	-	1.87
	-	-	-	-	-	-	-	-
<b>Dividend paid</b>								<b>450.55</b>
								-
H.A. Mafatlal	-	-	-	-	41.08	-	-	41.08
	-	-	-	-	-	-	-	-
Rekha H. Mafatlal	-	-	-	-	-	40.21	-	40.21
	-	-	-	-	-	-	-	-
Priyavrata H. Mafatlal	-	-	-	-	-	27.71	-	27.71
	-	-	-	-	-	-	-	-
Vishad P. Mafatlal	-	60.58	-	-	-	-	-	60.58
	-	-	-	-	-	-	-	-
Rupal V. Mafatlal	-	-	60.17	-	-	-	-	60.17
	-	-	-	-	-	-	-	-
NOCIL Limited	-	-	-	28.32	-	-	-	28.32
	-	-	-	-	-	-	-	-
Navin Fluorine International Limited	-	-	-	88.74	-	-	-	88.74
	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	41.96	41.96
	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	8.55	8.55
	-	-	-	-	-	-	-	-
Altamount Product and Services Private Limited	-	-	-	-	-	-	53.23	53.23
	-	-	-	-	-	-	-	-
<b>Redemption of Preference Shares</b>								<b>3,000.00</b>
								-
Navin Fluorine International Limited	-	-	-	3,000.00	-	-	-	3,000.00
	-	-	-	-	-	-	-	-
<b>Sale of assets/ Sale of Uniforms</b>								<b>5.51</b>
								6.20
Navin Fluorine International Limited	-	-	-	5.51	-	-	-	5.51
	-	-	-	-	-	-	-	-
				6.20				6.20
<b>Sale of Investments to</b>								<b>1.10</b>
								1.00
Aureole Clothing Private Limited				1.10				1.10
				-				-
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-
	-	-	-	1.00	-	-	-	1.00



**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
<b>Loan given</b>								<b>35.50</b>
								299.15
Mafatlal Global Apparel Limited	25.00	-	-	-	-	-	-	25.00
	298.00	-	-	-	-	-	-	298.00
Repos Trading Company Limited	-							-
	1.15							1.15
Silvia Apparel Limited	-	-	-	-	-	-	10.50	10.50
	-	-	-	-	-	-	-	-
<b><u>Repayment of Loan by Companies</u></b>								<b>18.92</b>
								87.50
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-
	84.00	-	-	-	-	-	-	84.00
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-
	-	-	-	3.50	-	-	-	3.50
Mafatlal Fabrics Private Limited	-	-	-	18.92	-	-	-	18.92
	-	-	-	-	-	-	-	-
<b><u>Interest accrued paid</u></b>								<b>-</b>
								0.99
Myrtle Chemtex Trading Private Limited	-	-	-	-	-	-	-	-
	-	-	-	0.99	-	-	-	0.99
<b><u>Advance given</u></b>								<b>10.28</b>
								24.60
Sulakshana Securities Limited	-	-	-	10.28	-	-	-	10.28
	-	-	-	12.70	-	-	-	12.70
Mafatlal Impex Private Limited	-	-	-	-	-	-	-	-
	-	-	-	11.90	-	-	-	11.90
<b><u>Advance refunded</u></b>								<b>0.10</b>
								2.70
Sulakshana Securities Limited	-	-	-	0.10	-	-	-	0.10
	-	-	-	2.70	-	-	-	2.70
<b><u>Advance taken</u></b>								<b>155.06</b>
								103.37
Navin Fluorine International Limited	-	-	-	155.06	-	-	-	155.06
	-	-	-	103.37	-	-	-	103.37
<b><u>Interest written off</u></b>								<b>7.87</b>
								-
Mafatlal Global Apparel Limited	7.87	-	-	-	-	-	-	7.87
	-	-	-	-	-	-	-	-

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
<u>Advance Repaid</u>								<b>166.73</b>
								103.37
Navin Fluorine International Limited	-	-	-	<b>166.73</b>				<b>166.73</b>
	-	-	-	103.37				103.37
<u>Advance write off / adjusted against provision of doubtful Loans and advances including interest accrued</u>								<b>40.62</b>
								-
Repos Trading Company Limited	<b>1.42</b>	-	-	-	-	-	-	<b>1.42</b>
	-	-	-	-	-	-	-	-
Mafatlal V. K. Intex Limited	<b>1.50</b>	-	-	-	-	-	-	<b>1.50</b>
	-	-	-	-	-	-	-	-
Aureole Clothing Private Limited	-	-	-	<b>37.70</b>	-	-	-	<b>37.70</b>
	-	-	-	-	-	-	-	-
<u>Provision for doubtful loans &amp; advances during the year</u>								<b>10.50</b>
								-
Silvia Apparel Limited				-			<b>10.50</b>	<b>10.50</b>
				-			-	-
<u>Credit notes accounted (Sales)</u>								<b>163.48</b>
								-
Mafatlal Global Apparel Limited	<b>163.48</b>	-	-	-	-	-	-	<b>163.48</b>
	-	-	-	-	-	-	-	-
<u>Equity shares issued to (Refer Note no. 30.3)</u>								<b>384.93</b>
								-
Navin Fluorine International Limited	-	-	-	<b>177.46</b>	-	-	-	<b>177.46</b>
	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	<b>83.92</b>	<b>83.92</b>
	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	<b>17.09</b>	<b>17.09</b>
	-	-	-	-	-	-	-	-
Altamount Product and Services Private Limited	-	-	-	-	-	-	<b>106.46</b>	<b>106.46</b>
	-	-	-	-	-	-	-	-
<u>Provision for doubtful Loans &amp; Advances - as at March 31, 2014</u>								<b>141.80</b>
								171.92
Silvia Apparel Limited		-	-	-	-	-	<b>141.80</b>	<b>141.80</b>
		-	-	-	-	-	131.30	131.30

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

(Rupees in Lacs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence	Total
Repos Trading Company Limited	-	-	-	-	-	-	-	-
	1.42	-	-	-	-	-	-	1.42
Aureole Clothing Private Limited	-	-	-	-	-	-	-	-
	-	-	-	37.70	-	-	-	37.70
Mafatlal V. K. Intex Limited	-	-	-	-	-	-	-	-
	1.50	-	-	-	-	-	-	1.50
<b>Amount due from - as at March 31, 2014</b>								<b>1,557.24</b>
								1,032.74
NOCIL Limited	-	-	-	1.09	-	-	-	1.09
	-	-	0.57	-	-	-	-	0.57
Mafatlal Impex Private Limited (Advances)	-	-	310.92	-	-	-	-	310.92
	-	-	297.15	-	-	-	-	297.15
Mafatlal Global Apparel Limited (Loans)	244.00	-	-	-	-	-	-	244.00
	227.00	-	-	-	-	-	-	227.00
Mafatlal Global Apparel Limited (Trade Receivable)	288.64	-	-	-	-	-	-	288.64
	407.18	-	-	-	-	-	-	407.18
Repos Trading Company Limited (Loans)	-	-	-	-	-	-	-	-
	1.42	-	-	-	-	-	-	1.42
Rajiv Dayal (Loan)	-	-	-	83.76	-	-	-	83.76
	-	-	-	88.09	-	-	-	88.09
Krishnadeep Housing Development Private Limited	-	-	12.63	-	-	-	-	12.63
	-	-	11.33	-	-	-	-	11.33
Sukarma Investments Private Limited	-	-	-	-	-	-	247.50	247.50
	-	-	-	-	-	-	-	-
Silvia Apparel Limited	-	-	-	-	-	-	141.80	141.80
	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	226.90	226.90
	-	-	-	-	-	-	-	-
<b>Amount due to - as at March 31, 2014</b>								-
								21.86
Sulakshana Securities Limited	-	-	-	-	-	-	-	-
	-	-	-	10.18	-	-	-	10.18
Navin Fluorine International Limited	-	-	-	-	-	-	-	-
	-	-	-	11.68	-	-	-	11.68
Figures in Italics represents previous year								

**■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

32.1 The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

₹ In lacs

Particulars	Year ended 31 March, 2014	Previous year
Year to which Dividend relates	2012-13	-
Number of non-resident shareholders	150	-
Number of shares held by them on which dividend is due	57,942	-
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lacs	289,710	-

32.2 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014

Statement of information relating to subsidiary including subsidiary of subsidiary (in terms of Government of India, Ministry of Corporate Affairs, General Circular No.: 2/2011, No.: 5/12/2007-CL-III dated 8th February, 2011) in compliance with section 212 of the Companies Act, 1956 for the year ended 31 March, 2014

Name of the subsidiary	Period of the financial statements considered	Currency	Share Capital including share application money	Reserves	Total Assets (Non-current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-current Investments	Total Liabilities (Preference Share Capital of Subsidiary + Non-current liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Non-current and Current Investment (except investment in subsidiaries)	Turnover (Net)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend (Including Corporate Dividend Tax)
Mafatlal Services Limited	1st April 2013 to 31st March 2014	INR	310,00,000	(27,086,593)	53,47,860	14,34,453	NIL	24,04,303	0	0	0	0
	1st April 2012 to 31st March 2013	INR	310,00,000	(27,086,593)	52,58,475	13,45,068	0	24,44,882	5,36,468	0	5,36,468	0

**■ Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2014**

**Notes:**

- (i) Figures in italics relate to the previous year.
- (ii) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
- (iii) In compliance with the requirements of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.
- (iv) Full accounts of the aforesaid subsidiaries are available for inspection at the Registered office of the Company and on request same will be made available to the shareholders of the holding company and subsidiary companies.
- (v) The Company holds 54.89% shares of Ibiza Industries Limited (IIL). IIL is under liquidation as per Order dated 26th April 2007 passed by the Honourable High Court of Bombay while admitting winding up petition. Hence, the details of IIL are not given in the above statement.
- (vi) The Company holds 94.00% shares of Sunanda Industries Limited (SIL). SIL is under liquidation as per Order dated 27th February 2013 passed by the Honourable High Court of Gujarat while admitting winding up petition. Hence, the details of SIL are not given in the above statement.

For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
**V. P. Mafatlal**  
Vice Chairman

**Rajiv Dayal**  
Managing Director &  
Chief Executive Officer

<b>P. R. Amin</b> <b>P. J. Desai</b> <b>N. K. Parikh</b> <b>A. K. Srivastava</b> <b>V. R. Gupte</b> <b>P. N. Kapadia</b>	}	Directors
---	---	-----------

**Rasesh Shah**  
Company Secretary

Mumbai, Dated: 30th May, 2014



MAFATAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035

Registered Office: Asarwa Road, Ahmedabad 380016

Tel. 91-79-22123944 / 3945, Fax: 91-79-22123045,

Website: www.mafatlals.com Email: ahmedabad@mafatlals.com

*Dear Shareholders,*

The attached coupons will entitle you for 12.5% discount on fabrics and Ready-made garments purchased from the available varieties of the Company upto a total of ₹ 5000/- (inclusive of Excise duty) at prevailing rates plus other local taxes wherever applicable from any of MAFATAL FAMILy SHOPS (printed overleaf).

We would like to inform you that both our Units situated in Nadiad and Navsari are working. The entire range of fabrics such as Suitings, Shirtings - Rubia, School Uniform and Ready Mades with the brand name of "TRENDZ" are available in all the Family Shops.


Validity period of the coupons will not be extended for any reasons whatsoever. Please note that no duplicate coupon will be issued for lost, defaced or torn coupon. The coupons may be utilized at the earliest to avoid rush and disappointment of non-availability of desired varieties. Please do not detach coupons and present this intact at the time of purchase.


By Order of the Board  
For Mafatlal Industries Limited


**Rasesh Shah**


*Company Secretary*


Dated: 30th May, 2014


 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹1000/-	12.50%	valid up to 31-08-2015
COUPON No. A		


 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹1000/-	12.50%	valid up to 31-08-2015
COUPON No. B		


 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹1000/-	12.50%	valid up to 31-08-2015
COUPON No. C		


 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹500/-	12.50%	valid up to 31-08-2015
COUPON No. D		

 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹500/-	12.50%	valid up to 31-08-2015
COUPON No. E		

 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹500/-	12.50%	valid up to 31-08-2015
COUPON No. F		

 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹200/-	12.50%	valid up to 31-08-2015
COUPON No. G		

 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹200/-	12.50%	valid up to 31-08-2015
COUPON No. H		

 <p>MAFATAL INDUSTRIES LIMITED</p>		
₹100/-	12.50%	valid up to 31-08-2015
COUPON No. I		



## LIST OF MAFATLAL FAMILY SHOPS

# MAFATLAL FABRICS

### MAHARASHTRA:

- 1 **FAIR PRICE CLOTH SHOP**  
3/4, SAMBHAVA CHAMBERS,  
201 SIR P.M. ROAD,  
FORT MUMBAI 400 001
- 2 **CHOICE CLOTH CENTRE**  
5/6 JAYPRAKASH ROAD  
NAKA, ANDHERI (WEST)  
MUMBAI 400058
- 3 **VENGUARD**  
PREMSONS SHOPPING  
CENTRE  
TEHIRA COMPOUND  
CAVES ROAD  
JOGESHWARI (EAST)  
MUMBAI 400 060
- 4 **ARADHANA**  
PLOT NO.157,SHOP NO. 6  
JAWAHAR NAGAR RD.  
NO.1GOREGAON (WEST)  
MUMBAI 400 062
- 5 **KINGS**  
KEDIA SHOPPING CENTRE  
OPP. RLY. STN.  
MALAD (WEST)  
MUMBAI 400 064
- 6 **KAMAL FABRICS**  
718 GORAGANDHI APTS.  
CHANDAVARKAR ROAD  
BORIVALI (WEST)  
MUMBAI 400 092
- 7 **NAMRATA**  
11, PRAGATI SHOPPING  
CENTRE  
MANCHUBHAI ROAD  
MALAD (EAST)  
MUMBAI 400 097
- 8 **MEHTA STORES**  
581 STATION ROAD  
KURLA (W),  
MUMBAI 400 070
- 9 **VIDHATA**  
NR.PRABHAT TALKIES  
OPP. TALAO PALI  
DR. MOOSE ROAD  
THANE 400 601
- 10 **TULSI**  
A-10,MAHAVIR  
APARTMENT,  
STATION ROAD  
BHAYANDER (WEST)  
THANE 401 101
- 11 **JEEVAN**  
6 KAMAL KUNJ  
B. P. ROAD  
OPP. POST OFFICE  
BHAYANDER (EAST)  
THANE 400 105
- 12 **BHAVANI COLLECTION**  
8,DEVDHARA  
LAXMIBAI LAD ROAD  
OPP. PATEL COLONY  
DAHISAR, MUMBAI
- 13 **JAYSHREE**  
SHOP NO. 2&3  
BLDG. NO. B-54,  
SECTORNO.3  
SHANTI NAGAR,  
MIRA ROAD (EAST)  
MUMBAI 401 107
- 14 **SHREEJI COLLECTION**  
BHAGWANDAS MANSION  
SHIVAJI CHOWK  
KALYAN (WEST)

- 15 **RAJ MEASUREMENTS**  
MAHAVIR MILAN  
SHOP NO.16 PLOT  
NO.1, SECTOR 28  
VASHI,  
NAVI MUMBAI 400 703

- 16 **PRINCE**  
SHOP NO.1&2  
AGARWAL BHATIA  
COMPLEX,  
NEAR SHIVAJI STATUE  
PANVEL

- 17 **RR CREATION**  
56, NEW CLOTH MARKET  
AKOLA

### GUJARAT:

- 18 **AKASH**  
(PRESTIGIOUS SHOW  
ROOM)  
MANGALMAY COMPLEX  
OPP GOPAL TOWER  
MANINAGAR  
AHMEDABAD 380 008
- 19 **SHALIBHADRA**  
11, AJANTA COMM.  
CENTRE  
NEAR INCOME TAX  
ASHRAM ROAD,  
AHMEDABAD 380 014
- 20 **FAIR PRICE CLOTH STORES**  
ORIENTAL BUILDING  
RELIEF ROAD  
AHMEDABAD 380 001
- 21 **FAIR PRICE CLOTH STORES**  
SUPER MARKET  
NEAR NATRAJ THEATRE,  
ASHRAM ROAD  
AHMEDABAD 380 009
- 22 **FAIR PRICE CLOTH SHOP,**  
SECTOR 16, NEAR  
SHALIMAR CIMEA,  
G H ROAD,  
GANDHINAGAR
- 23 **ISHWARRUPA**  
5-6 SILVER LAKE  
SHELAT BHAVAN  
JAGABHAI PARK  
OPP. SWAMINARAYAN  
MANDIR MANINAGAR  
AHMEDABAD 380 008
- 24 **KANTA**  
19, AGARWAL TOWER  
1ST FLOOR  
BHUJANGDEV CHAR  
RASTA SOLA ROAD  
AHMEDABAD 380 061
- 25 **ADARSH**  
C-27 SURYA COMPLEX  
GURUKUL MEMNAGAR  
AHMEDABAD 380 052
- 26 **ABHISHEK**  
4 VISHWANATH  
COMPLEX  
SARDAR PATEL STADIUM  
ROAD NARANPURA  
AHMEDABAD 380 014
- 27 **MANSAROVAR NX**  
5 DEVARCHAN COMPLEX  
OPP. KOCHHRAB ASHRAM.  
PALDI, AHMEDABAD
- 28 **NATIONAL EMPORIUM**  
MAIN ROAD  
VISNAGAR

- 29 **DARSHAN**  
5, KARISHMA COMPLEX  
STADIUM CIRCLE  
C. G. ROAD  
AHMEDABAD

- 30 **KRISHNA**  
(G-5)GOPAL SHOPPING  
CENTRE OPP.ROSEWOOD  
PLAZA, JODHPUR SATELLITE  
AHMEDABAD 380 015

- 31 **THE MENS TOWN**  
13, SURJIT SOCIETY  
INDIA COLONY  
AHMEDABAD- 382 350

- 32 **ABHISHEK**  
PLOT NO 200 SECTOR 21  
DIST. SHOPPING CENTRE  
NEAR. BANK OF BARODA  
GANDHI NAGAR 382 021

- 33 **THE NEW SHORROCK MILLS CO-OP CON. SOC. LTD**  
BHAVSARVAD  
NADIAD – 387041

- 34 **THE NEW SHORROCK MILLS CO-OP CON. SOC. LTD**  
Mill Gate, NADIAD

- 35 **KASHYAP**  
STATION ROAD  
NEAR. LAXMI CINEMA  
NADIAD 387 001

- 36 **ANUBHARTI**  
JEMSON HOUSE NEAR.  
LAXMI CINEMA  
JUNA ROAD,  
ANAND 388 001

- 37 **PRESIDENT EMPORIUM**  
(PRESTIGIOUS SHOWROOM)  
7-8 CHINAR GULNAR  
COMPLEX  
VIDYANAGAR ROAD  
ANAND 388 001

- 38 **REAL CHOICE**  
19-20 VIP VIEW  
COMPLEX VIP ROAD  
KARELI BAUG  
BARODA 390 008

- 39 **FAIR PRICE CLOTH STORES, M.G ROAD**  
BARODA 390 001

- 40 **PREMKUNJ**  
(PRESTIGIOUS SHOW  
ROOM)  
6-10 VIMAL RATH  
PLAZA, SUBHANPURA  
BARODA 390 001

- 41 **SUMAN**  
(PRESTIGIOUS SHOW  
ROOM)13/14 ALKAPURI  
ARCADE R.C.DUTT ROAD  
BARODA 390 007

- 42 **SHEETAL EMPORIUM**  
(PRESTIGIOUS SHOW  
ROOM)  
NARBADA APARTMENT  
NAVRANG CINEMA  
ROAD, BARODA 390 001

- 43 **MADHU KUNJ**  
34 ARPAN COMPLEX  
DELUXE CHAR RASTA  
NIZAMPURA  
BARODA

- 44 **SNEH KUNJ**  
13/14, WINDSOR  
PLAZA R.C. DUTT  
ROAD ALKAPURI  
BARODA 390 007

- 45 **KALADARSHAN**  
21 PANAM PLAZA OPP.  
RELIEF CINEMA  
PANCHAVATI  
BHARUCH 392 001

- 46 **VINAY TRADERS**  
SHOP NO.4 JILLA  
PANCHAYAT  
SHOPPING CENTRE  
OPP. S.T. DEPOT  
BHARUCH 392 001

- 47 **VAISHALI**  
CHAUTA BAZAR  
ANKLESHWAR  
GUJARAT

- 48 **UTSAV**  
(PRESTIGIOUS SHOW  
ROOM) 104 TO 107  
RAMNIVAS BLDG  
VARACHHA ROAD  
OPP. SUPER DIAMOND  
MARKET  
SURAT 395 006

- 49 **SHUBH**  
KAPATORA ROAD  
SURAT395 006

- 50 **FAIR PRICE CLOTH SHOP**  
CHAUTA BRIDGE  
MAIN ROAD  
SURAT-395001

- 51 **VARDHAMAN**  
(PRESTIGIOUS SHOW  
ROOM)  
1-2 TOPAZ ARCADE  
DR. YAGNIK ROAD  
RAJKOT-1

- 52 **MAFATLAL MILLS EMP. CO. OP CREDIT SOCIETY**  
TRIMURTI  
MADHMODHI  
NAVSARI 396 445

- 53 **MAFATLAL MILLS EMP. CO. OP CREDIT SOCIETY**  
MILL GATE , NAVSARI

- 54 **MY CHOICE**  
BAHUBALY COMPLEX  
KALA NAKA  
BHAVNAGAR - 364001

- 55 **LAXMINARAYAN STORES**  
JAWAHAR ROAD  
RAJULA CITY  
DIST AMRELI

- 56 **HARSH**  
3/342 BEHIND TALUKA -  
PANCHAYAT,  
JAWA NPURA  
IDAR

- 57 **HARSH CREATIVE**  
(ONLY TRENDZ READY  
MADE GARMENTS)  
3 DAMODAR COMPLEX  
BLOCK 'A' S.T. ROAD  
IDAR 383 430

- 58 **JANPRIYA FABRICS**  
DR. LALUBHAI CENTRE  
1ST FLOOR  
SRI LAKHAJI ROAD  
RAJKOT 360 001

- 59 **RIDDHIKA FABRICS**  
(PRESTIGIOUS SHOW  
ROOM  
SUDAMA ROAD  
PORBANDAR 360 575

- 60 **VISHAL**  
SATTA BAZAR  
VERAVAL 362 265

- 61 **KALANIKETAN**  
NR. RAJ- CLOTH CENTRE  
VORVAD NAKA  
KAPADWANJ 387 620

- 62 **BHAVSAR EMPORIUM**  
BAZAR ROAD  
VAPI (WEST) 396 191

- 63 **GADAT VIBHAG VIVIDH**  
KARYAKARI SAHAKARI  
KHEDUT MANDAL,  
GADAT  
DIST NAVASARI

- 64 **R. K. TEXTILE NX**  
5, SANTARAM MARKET  
NADIAD

### MADHYA PRADESH:

- 65 **ZALANI BROTHERS**  
1 GAS HOUSE ROAD  
NEAR, SHREEKRISHNA  
TALKIES  
INDORE 452 007

- 66 **CLOTH CENTRE**  
CHOWK BAZAR,  
BHOPAL 462 001

- 67 **SWASTIK**  
39 M.T. CLOTH MARKET  
INDORE 452 002

### RAJASTHAN:

- 68 **SANSKAR**  
225 HOPE CIRCUS  
ALWAR 301 001

- 69 **ROOPAM**  
SOJATI GATE -  
JODHPUR 342 001

- 70 **VASTRALANKAR**  
825-826 STATION ROAD  
KAISAR GUNJ,  
AJMER 305 001

- 71 **PARVATI ENTERPRISE**  
34-PUBLIC PARK,  
RUKMINI COMPLEX  
MAHAVIR SHOPPING  
CENTRE SHRI  
GANGANAGAR-335001

### DELHI:

- 72 **SAPNA (KAPAI & COMPANY)**  
11 D-38 LAJPAT NAGAR  
NEW DELHI 110024

### KARNATAKA:

- 73 **GAUTAM**  
3/40 SHREEPAL COMPLEX  
HUNS TALKIES ROAD  
BELGAUM 590 001

- 74 **SORKAR TEXTILE & TAILORS**  
SHALIMAR COMPLEX  
KANKANADY.  
MANGALORE

- 75 **D.V.DARBAR**  
GURUKRIPA  
BASVESHVAR ROAD  
BIJAPUR 586101

### UTTAR PRADESH:

- 76 **FABRIC CENTRE**  
118/77, KAUSHAL PURI  
OPP. BANK OF INDIA  
KANPUR 208 012

- 77 **BHAVANI & SONS**  
(PRESTIGIOUS SHOW  
ROOM) 33/12 SANJAY  
PALACE  
AGRA

- 78 **PRAKASH VASTRALAYA**  
KAITHI BAZAR  
BANDA – 210001

- 79 **PIPERSIANA BANDHU**  
MAHALAXMI DEVI ROAD  
BANDA 210 001

- 80 **LUCKNOW CLOTH CENTRE**  
92/59 AMINABAD PARK  
ROAD  
LUCKNOW 226 001

- 81 **K. R. SONS**  
B-3/1Q9, VIVEK KHAND  
GOMTINAGAR  
LUCKNOW

- 82 **GAGAN**  
ALAM BUILDING  
LUCKNOW

- 83 **RAMSONS**  
HUSSAIN GUNJ  
LUCKNOW

- 84 **RAVI**  
DALI GUNJ  
LUCKNOW

### WEST BENGAL:

- 85 **RAJSHREE**  
26 SHAKESPEARE SARANI  
KOLKATA 700 017

- 86 **SATYAM SHIVAM**  
97 ARBINDA SARANI  
HATHI BAGAN CROSSING  
KOLKATA 700 005

- 87 **NEW SILSONS**  
194/D RASH BIHARI  
AVENUE  
KOLKATA 700 029

- 88 **CHETALI**  
62 G.T. ROAD  
SERAMPORE 712 201

- 89 **M/S SHARDA**  
489 B.C. ROAD  
BURDWAN 713101

### BIHAR :

- 90 **YOGESH TEXTILES**  
9 MAIN ROAD  
BISTUPUR BAZAR  
JAMSHEDPUR 831 001

### CHHATISGARH:

- 91 **FASHION MALL**  
A-73, TEXTILES MARKET  
GATE NO. 1,  
PANDRI RAIPUR  
CHHATTISGARH - 492 001

### ANDHRA PRADESH:

- 92 **SRI PADMA TEXTILES**  
MAIN ROAD  
RAJAMUNDRY

### KERALA :

- 93 **KRIPA**  
AC ROAD, CHERTHALA  
ALLAPUZHA, KERALA

- 94 **VYSAKH**  
MAIN BAZAR  
THALLECHERY  
DIST CANNANORE

- 95 **METRO TEX**  
NEAR PADMA  
M.G.ROAD  
ERNAKULAM

### TAMILNADU:

- 96 **SHYMAL FASHIONS**  
25E 1ST AGRAHARAM  
SALEM 636 001

- 97 **SREE SATHYAMS**  
C.S.L SHOPPING  
COMPLEX  
163 BROUGH ROAD  
ERODE 638 001

- 98 **MANGAI**  
NEYVELI TOWNSHIP  
NEYVELL 607 803

- 99 **BHAVANI**  
10 BOSE BAZAR  
HOSUR 635 109  
DIST DHARAMPURI

- 100 **RAGA'S CLOTHING**  
38, NAWAB COMPLEX  
N S B ROAD,  
TRICHY 620 002

### ASSAM :

- 101 **SAMRAT**  
H G B ROAD  
AGARATALA 799 001







MAFATLAL INDUSTRIES LIMITED

FORM NO MGT-11

# PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN L17110GJ1913PLC000035

Name of the Company : **MAFATLAL INDUSTRIES LIMITED**

Regd. Office: Asarwa Road,

Ahmedabad 380016 Email: ahmedabad@mafatlals.com

Website: www.mafatlals.com Tel. 91-79-22123944 / 3945 , Fax: 91-79-22123045,

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name ..... Address.....  
 Email ID ..... Signature..... or failing him/her
- (2) Name ..... Address.....  
 Email ID ..... Signature..... or failing him/her
- (3) Name ..... Address.....  
 Email ID ..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 100th Annual General Meeting of the Company, to be held on Tuesday, 5th August, 2014 at 10.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad 380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

## RESOLUTION NO.

### ORDINARY BUSINESS

- Adoption of Directors' Report, Audited Financial Statements for the year ended 31st March, 2014 and Auditors' Report thereon
- Declaration of Dividend
- Re-appointment of Shri H.A. Mafatlal as a Director who retires by rotation
- Appointment of Auditors and fixing their remuneration

### SPECIAL BUSINESS

- Appointment of M/s. Sorab S. Engineer & Co. as Branch Auditors
- Appointment of M/s. C.C. Chokshi & Co., as Branch Auditors
- Appointment of Shri P.R. Amin as an Independent Director
- Appointment of Shri N. K. Parikh as an Independent Director
- Appointment of Shri V.R. Gupte as an Independent Director
- Appointment of Shri P.N. Kapadia as an Independent Director
- Special Resolution Under Section 180(1)(a) of the Companies Act, 2013 to mortgage/charge/ encumber immoveable/moveable properties
- Special Resolution Under Section 180(1)(c) of the Companies Act, 2013 for borrowing money.
- Special Resolution for approval of excess payment of Managerial Remuneration to Shri V. P. Mafatlal, Executive Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer
- Ordinary Resolution Under Section 148(3) of the Companies Act, 2013 for approval of remuneration of Cost Auditor Shri I.V. Jagtiani
- Ordinary Resolution Under Section 148(3) of the Companies Act, 2013 for approval of remuneration of Cost Auditor Shri B.C. Desai
- Special Resolution Under Section 94 of the Companies Act, 2013 for keeping all documents mentioned in Section 88 of the Companies Act, 2013 at the office of Registrar and Share Transfer Agents of the Company viz. M/s. Sharepro Services (India) Pvt. Ltd., Ahmedabad.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of the Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp  
Re 1/-



Note: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





MAFATAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035

Registered Office: Asarwa Road, Ahmedabad 380016

Tel. 91-79-22123944 / 3945 , Fax: 91-79-22123045,

Website: www.mafatlals.com Email: ahmedabad@mafatlals.com

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID\*, Client ID\* & Name of the Shareholder / Joint holders / Proxy in BLOCK LETTERS to be furnished below).

Shareholder / Proxy holder	DP ID*	Client ID*	Folio	No. of Shares held

I hereby record my presence at the 100th Annual General Meeting of the Company, to be held on Tuesday, 5th August, 2014 at 10.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad 380006

SIGNATURE OF THE

SHAREHOLDER OR PROXY \_\_\_\_\_

**NOTES:**

- (1) Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- (2) Shareholders are requested to advise, indicating their Folio Nos. DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Sharepro Services (India) Pvt. Ltd., Samhita Warehousing Complex, 2nd Floor, Gala No. 52-56, Building N. 13A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai - 400 072.

\*Applicable for investors holding shares in Electronic (Demat) Form.





## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## NOTES

[illegible]

# THE COMPLETE RANGE OF FABRICS FROM MAFATLAL

SHIRTINGS



SUITINGS & TROUSERING

DENIMS



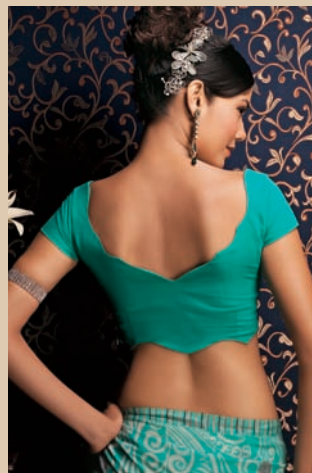
BED SHEETS



UNIFORMS



BATH TOWELS



RUBIA

LINEN

Mafatlal®





www.sapprints.com

MAFATLAL  
FABRICS

MAFATLAL  
SUITINGS

*EL ROMANO*<sup>TM</sup>  
PREMIUM SHIRTINGS

*M* MAFATLAL  
DENIMS

SCHOOL UNIFORM

*Trendz*  
FORMALS & CASUALS

*Mafatlal*<sup>®</sup>  
HOME FASHION

CORPORATE  
UNIFORM

*Shalini*<sup>®</sup>  
WOMENS COLLECTION

**FORM B**

1.	Name of the Company:	Mafatal Industries Limited
2.	Annual Standalone Financial statements and Consolidated Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation/Qualification	<p><u>Emphasis of Matter (not a qualification) – 1 in the Standalone Financial Statements (Page number 34) and Consolidated Financial Statements (Page number 83).</u></p> <p>We draw attention to Note no.30.13 (Standalone Financial Statements) and Note no.30.9 (Consolidated Financial Statements) regarding managerial remuneration for which the Central Government's approval is required.</p> <p>Our opinion is not qualified in respect of this matter.</p> <p><u>Observations in the nature of Emphasis of Matter with respect to Annexure to the Independent Auditors' Report (Page number 36).</u></p> <ol style="list-style-type: none"> <li>(x) (a): The Company has generally been regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income-tax, Wealth Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities and has not been regular in depositing interest on Provident Fund, interest on Employees' State Insurance, Value Added Tax, Excise Duty, Gratuity, interest on Water charges and Service Tax.</li> <li>(x) (b): There were no undisputed amounts payable in respect of Investor Education and Protection Fund, Income-tax, Wealth Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable. As at the year end, the arrears of statutory dues outstanding for a period of more than six months aggregate to Rs.68.29 lacs in respect of interest on Provident Fund, Rs.85.66 lacs in respect of interest on Employees' State Insurance Dues, Rs.0.36 lacs in respect of Value Added Tax (including interest), Rs.3.34 lacs in respect of Excise Duty, Rs.731.34 lacs in respect of Gratuity, and Rs.769.02 lacs in respect of interest on Water Charges.</li> </ol> <p><u>Qualification in the Standalone (Page number 33) and Consolidated Financial Statements (Page number 82).</u></p> <ol style="list-style-type: none"> <li>Attention is invited to Note no.30.5 (Standalone Financial Statements) and Note no.30.6 (Consolidated Financial Statements) regarding non-accounting of income from rent and other charges aggregating to Rs.83.61 lacs upto 31st March, 2014 (Rs.186.29 lacs upto 31<sup>st</sup> March, 2013) 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' referred to in Section 211(3C) of the Act; if the same is considered, rental income from investment property would be higher by aggregate amount of Rs.83.61 lacs (aggregate upto 31st March 2013, Rs.186.29 lacs), income tax, net profit and shareholder's funds would have been increased by Rs.17.53 lacs, Rs.66.08 lacs and by Rs.66.08 lacs respectively (previous year ended 31st March 2013: increased by Rs.60.45 lacs, Rs.125.84 lacs and by Rs.125.84 lacs respectively). This matter was also qualified in our report on the financial statements / consolidated financial statements for the year ended 31st March 2013.</li> </ol> <p><u>Qualifications only in the Consolidated Financial Statements (Page number 82 &amp; 83).</u></p> <ol style="list-style-type: none"> <li>The consolidated financial statements include the unaudited financial information of one jointly controlled entity (Previous year ended 31st March, 2013: one jointly controlled entity), whose financial information reflect total assets (net) of Rs.66.19 lacs as at 31st March, 2014 (As at 31st March, 2013: Rs.45.17 lacs), total revenue of Rs.206.73 lacs (Previous year ended 31st March, 2013: Rs.Nil) and net cash flows amounting to Rs.-28.92 lacs (Previous year ended 31st March, 2013: Rs.33.79) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of the jointly controlled entity, is based solely on such unaudited financial information.</li> </ol>

		3. In the previous year, the financial statements of one subsidiary and four associates were not available for consolidation. This was a subject matter of our report qualified in the previous year.
4.	Frequency of qualification	<p>Emphasis of Matter: 1- First Time</p> <p><u>Observations with respect to Annexure to the Independent Auditors' Report</u></p> <p><u>(x) (a): Repetitive</u></p> <p><u>(x) (b): Repetitive</u></p> <p>Qualification No. 1 – Appearing since 88<sup>th</sup> Annual Report i.e. 1999-2001 (financial period ended 31st March, 2001)</p> <p>Qualification No. 2 – Appearing since 99<sup>th</sup> Annual Report 2012-13 (financial year ended 31<sup>st</sup> March, 2013)</p> <p>Qualification No. 3 – Appearing since 94<sup>th</sup> Annual Report 2006-08 (financial period ended 31<sup>st</sup> March, 2008)</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><u>Qualification No. 1:</u> <u>Note no. 30.5, Page no. 67 of the Standalone Financial Statement and Note no. 30.6, Page no. 113 of the Consolidated Financial Statement:</u></p> <p>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 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 (Refer Note no. 11 and Note no. 16).</p> <p><u>Qualification No. 2:</u> <u>Note no. 30.4(v), Page no. 111 of the Consolidated Financial Statements:</u></p> <p>Joint Venture- In case of Al Fahim Mafatal Textile LLC, UAE - the joint venture, in the current year and the previous year, the unaudited financial information have been considered for consolidation.</p> <p><u>Qualification No. 3:</u> <u>Note no. 30.4(iii), Page no. 111 of the Consolidated Financial Statements:</u></p> <p>Subsidiary- The accounts of Repal Apparels Private Limited ("Repal") were not available in the previous year. In view of the management, its operations had no significant impact on the revenues, expenses, assets and liabilities of consolidated accounts. Repal ceases to be a subsidiary during the current year.</p> <p><u>Note no. 30.5(iv), Page no. 112 of the Consolidated Financial Statement:</u></p> <p>Associates- The financial statements of Mafatal V. K. Intex Limited, Sushmita Engineering and Trading Limited and Repos Trading Company Limited were not available in the previous year. In view of the management, their operations had no significant impact on the revenues, expenses, assets and liabilities of the Consolidated Financial Statements. The financials statements of Mafatal Global Apparel Limited were not available in the previous year.</p> <p><u>For the qualifications above refer Directors Report:</u> <u>Note no. 14, Page no. 17 of the Annual Report</u></p>

6.	Additional comments from the board/audit committee chair:	None
7.	<p>Signed by-</p> <ul style="list-style-type: none"> <li>• Audit committee Chairman</li> <li>• Managing Director</li> <li>• Chief Financial Officer</li> </ul>	<p><i>P. R. Amin</i></p> <p><i>Rajiv Dayal</i></p> <p><i>Manoj D. Pandya</i></p> <p>Place: Mumbai Date: 30<sup>th</sup> May 2014</p>
	<ul style="list-style-type: none"> <li>• Auditors of the Company</li> </ul>	<p>R. Salivati</p> <p>Refer our Audit Report dated 30<sup>th</sup> May, 2014 on the standalone/consolidated financial statements of the Company</p> <p>For DELOITTE HASKINS &amp; SELLS Chartered Accountants (Firm Registration No. 117364W)</p> <p><i>R. Salivati</i></p> <p>R. Salivati Partner (Membership No. 34004)</p> <p>Place: Mumbai Date: 30<sup>th</sup> May 2014</p>