



MAFATLAL ENTERPRISES LIMITED

16th ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

SHRI PRADEEP R. MAFATLAL (*Chairman*)

SHRI SURENDRA B. SHAH

SHRI MAHESH K. SHAH

BANKERS

IDBI BANK

UNION BANK OF INDIA

AUDITORS

M/s. S. U. KAPASI & CO.

Chartered Accountants

REGISTERED OFFICE

59, 'THE ARCADE', 1ST FLOOR,
WORLD TRADE CENTRE,
CUFFE PARADE, COLABA,
MUMBAI 400 005.

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Mafatlal Enterprises Limited will be held at the Registered Office of the Company at 59, 'The Arcade', 1st Floor, World Trade Centre, Cuffe Parade, Colaba, Mumbai – 400 005, on Friday, 10th August, 2012, at 2.30 p.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the Financial Year ended 31st March, 2012 and the Balance Sheet of the Company as on that date.
2. To appoint a Director in place of Shri M. K. Shah who retires by rotation but, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Registered Office:

59, 'The Arcade', 1st Floor,
World Trade Centre,
Cuffe Parade,
Colaba,
Mumbai-400 005.

Mumbai

Dated: 23rd April, 2012.

DIRECTORS' REPORT

To
The Members,
MAFATLAL ENTERPRISES LIMITED

Your Directors submit their 16th Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2012.

During the Financial Year under review, the Company has incurred a loss of ₹ 11,271/-.

PARTICULARS OF EMPLOYEES

The Company has no employee and therefore, no information is required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is not engaged in manufacturing activities during the year. Therefore, there is no information to submit in respect of conservation of energy and absorption of technology.

The Company has no foreign exchange earnings and outgoings during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the Final Accounts for the Financial Year ended 31st March, 2012, 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 judgements and estimates that were 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 or loss of the Company for the said year;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2012, on a 'going concern' basis.

DIRECTORATE

Shri M. K. Shah is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956, but being eligible offers himself for re-appointment.

AUDITORS

At the ensuing Annual General Meeting, members will be requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board

PRADEEP R. MAFATLAL
Chairman

Mumbai
Dated: 23rd April, 2012.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Mafatlal Enterprises Limited ("the Company"), as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of the written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. KAPASI)
Proprietor
Membership No. 30639

Mumbai
Dated: 23rd April, 2012

ANNEXURE

Re: Mafatlal Enterprises Limited

(referred to in paragraph 1 of our report of even date)

1. The nature of the Company's activities during the year under report have been such that the requirements of clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable.
2. The Company did not have any fixed assets and hence clause (i) of paragraph 4 of the Order is not applicable to the Company, for the year.
3. The Company does not have an inventory, hence clause (ii a), (ii b) and (ii c) of paragraph 4 of the Order are not applicable.
4. The Company has not granted or taken any loans to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of clauses (iii b), (iii c), (iii d), (iii e), (iii f) and (iii g) of paragraph 4 of the Order are not applicable.
5. The Company does not have an inventory/fixed assets and does not sell goods or rendered services hence clause (iv) of paragraph 4 of the Order is not applicable to the Company, for the year.
6. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 and hence the question of commenting on reasonableness of prices does not arise.
7. The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, and the Rules framed thereunder.
8. Since the Company is not a listed Company and does not have paid up capital and reserves exceeding ₹ 50 Lacs as at the commencement of the financial year or an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year, the clause relating to internal audit system is not applicable.
9. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
10. (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess and any other material statutory dues, where applicable with the appropriate authorities. There are no arrears of aforesaid statutory dues as at the last day of the financial year and outstanding for the period of six months from the date they became payable.
- (b) There are no cases of non-deposit with appropriate authorities of disputed dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
11. The Company has accumulated losses at the end of the financial year however, it does not exceed fifty percent of its net worth, The Company has incurred cash losses in the financial year under report and in the immediately preceding financial year.
12. The Company has not borrowed money from banks/ financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and securities.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
15. The Company has not obtained any term loan during the financial year.
16. The Company has not raised any funds on short term or long term basis.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
18. No debentures have been issued by the Company and hence the question of creating security in respect thereof does not arise.
19. The Company has not raised money by way of public issues during the year.
20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. U. KAPASI & CO.,
Chartered Accountants
(Registration No. 104799W)

(S. U. KAPASI)
Proprietor
Membership No. 30639

Mumbai
Dated: 23rd April, 2012

BALANCE SHEET
AS AT 31ST MARCH, 2012

Particulars	Notes	31st March, 2012 ₹	31st March, 2011 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds:			
(a) Share capital	A	500,070	500,070
(b) Reserves and surplus	B	(171,553)	(160,282)
2. Current liabilities			
(a) Other Short term liabilities	C	15,360	14,360
(b) Short-term provisions.....	D	3,350	3,350
(c) Trade payables.....	E	5,515	5,515
Total		352,742	363,013
II. ASSETS			
1. Current assets			
(a) Short-term loans and advances	F	3,213	3,213
(b) Cash and cash equivalents	G	349,529	359,800
See accompanying notes forming part of the financial statements	I		
Total		352,742	363,013

For S. U. KAPASI & CO.,
Chartered Accountants

(S. U. KAPASI)
Proprietor

PRADEEP R. MAFATLAL

S. B. SHAH
M. K. SHAH

Chairman

Directors

Mumbai, Dated: 23rd April, 2012.

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Notes	31st March, 2012 ₹	31st March, 2011 ₹
I. Revenue from operations.....		—	—
II. Other income.....		—	—
III. Total Revenue (I + II).....		—	—
IV. Expenses:			
Other expenses.....	H	11,271	8,269
Total expenses.....		11,271	8,269
V. Profit before exceptional and extraordinary items and tax (III – IV).....		(11,271)	(8,269)
VI. Exceptional items.....		—	—
VII. Profit before extraordinary items and tax (V – VI).....		(11,271)	(8,269)
VIII. Extraordinary Items.....		—	—
IX. Profit before tax (VII – VIII).....		(11,271)	(8,269)
X. Tax expense:			
(1) Current tax.....		—	—
(2) Deferred tax.....		—	—
XI. Profit (Loss) for the period from continuing operations (VII – VIII).....		(11,271)	(8,269)
XII. Profit/(loss) from discontinuing operations.....		—	—
XIII. Tax expense of discontinuing operations.....		—	—
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII – XIII).....		—	—
XV. Profit (Loss) for the period (XI + XIV).....		(11,271)	(8,269)
XVI. Earnings per equity share:			
(1) Basic.....		(0.23)	(0.17)
(2) Diluted.....		(0.23)	(0.17)
See accompanying notes forming part of the financial statements	I		

For S. U. KAPASI & CO.,
Chartered Accountants

(S. U. KAPASI)
Proprietor

PRADEEP R. MAFATLAL

S. B. SHAH
M. K. SHAH

Chairman

Directors

Mumbai, Dated: 23rd April, 2012.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET (LOSS)/PROFIT BEFORE TAX	(11,271)	(8,269)
Adjustments for :		
Provision for tax of earlier period written back	—	—
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES.....	(11,271)	(8,269)
Decrease/(Increase) in Trade and Other receivables	—	—
(Decrease)/Increase in Trade and Other Payables	1,000	1,000
	1,000	1,000
	(10,271)	(7,269)
Direct Taxes Paid	—	—
NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A).....	(10,271)	(7,269)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	—	—
Sale of Fixed Assets.....	—	—
NET CASH USED IN INVESTING ACTIVITIES (B).....	—	—
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long-term borrowings.....	—	—
NET CASH GENERATED FROM FINANCING ACTIVITIES (C).....	—	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(10,271)	(7,269)
CASH AND CASH EQUIVALENTS AS AT 01.04.2011 (OPENING BALANCE).....	359,800	367,069
CASH AND CASH EQUIVALENTS AS AT 31.03.2012 (CLOSING BALANCE)	349,529	359,800

Notes:

- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

See accompanying notes forming part of the financial statements

In terms of our report attached
 For S. U. KAPASI & CO.,
 Chartered Accountants

PRADEEP R. MAFATLAL *Chairman*

(S. U. KAPASI)
 Proprietor

S. B. SHAH
 M. K. SHAH } *Directors*

Mumbai, Dated: 23rd April, 2012.

NOTES

FORMING PART OF FINANCIAL STATEMENTS

Note A Share Capital

1.

Share Capital	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	<u>8,000,000</u>	<u>80,000,000</u>	<u>8,000,000</u>	<u>80,000,000</u>
Issued				
Equity Shares of ₹ 10/- each	50,007	500,070	50,007	500,070
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	<u>50,007</u>	<u>500,070</u>	<u>50,007</u>	<u>500,070</u>
Total	<u>50,007</u>	<u>500,070</u>	<u>50,007</u>	<u>500,070</u>

2. **Reconciliation of Shares Outstanding at the Beginning and at the end of the reporting year**

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year.....	50,007	500,070
Shares Issued during the year	—	—
Shares bought back during the year ..	—	—
Shares outstanding at the end of the year	<u>50,007</u>	<u>500,070</u>

3. **Shares held by holding Company**

50,007 Equity Shares (Previous year 50,007) are held by Standard Industries Ltd., the holding Company.

4. **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Standard Industries Ltd.	50,007	100%	50,007	100%

Note B Reserves and Surplus

Reserves & Surplus	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Surplus/(Deficit) in the statement of Profit and Loss		
Opening balance	(160,282)	(152,013)
(+) Net Profit/(Net Loss) for the current year	<u>(11,271)</u>	<u>(8,269)</u>
Closing Balance	<u>(171,553)</u>	<u>(160,282)</u>
Total	<u>(171,553)</u>	<u>(160,282)</u>

Note C

Other Short Term Liabilities	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Trade Payables	15,360	14,360
(b) Others	—	—
Total	<u>15,360</u>	<u>14,360</u>
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	—	—
(ii) Total outstanding dues of Trade Payable other than Micro Enterprises and Small Enterprises.....	<u>15,360</u>	<u>14,360</u>

NOTES
FORMING PART OF FINANCIAL STATEMENTS

Note D

Long Term Provisions	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Provision for Income Tax 1997-98	<u>3,350</u>	<u>3,350</u>
Total	<u><u>3,350</u></u>	<u><u>3,350</u></u>

Note E

Current Liabilities	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Trade Payables	<u>5,515</u>	<u>5,515</u>
Total	<u><u>5,515</u></u>	<u><u>5,515</u></u>
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	—	—
(ii) Total outstanding dues of Trade Payable other than Micro Enterprises and Small Enterprises	<u>5,515</u>	<u>5,515</u>

Note F

Short Term Loans and Advances	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Other loans and advances (Advance Income Tax)		
Secured, considered good	<u>3,213</u>	<u>3,213</u>
Unsecured, considered good	—	—
Doubtful	—	—
Total	<u><u>3,213</u></u>	<u><u>3,213</u></u>

Note G

Cash and cash equivalents	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Balances with banks	<u>349,529</u>	<u>359,800</u>
(b) Cash on hand	—	—
Total	<u><u>349,529</u></u>	<u><u>359,800</u></u>

Note H Other Expenses

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
Registration & Filing Fees	<u>1,000</u>	<u>1,000</u>
Printing & Stationery Expenses	<u>735</u>	<u>—</u>
Professional Charges	<u>3,961</u>	<u>1,754</u>
Payment to Auditors	<u>5,515</u>	<u>5,515</u>
General Expenses	<u>60</u>	<u>—</u>
Total	<u><u>11,271</u></u>	<u><u>8,269</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note I****I. Corporate Information:**

Mafatlal Enterprises Limited, formerly known as Astor Mafatlal Waxes Limited was incorporated in the year 1995. It changed its name to Mafatlal Enterprises Limited in the year 1999. It is 100% subsidiary of Standard Industries Limited.

II. Basis of preparation of financial statements:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

III. Summary of significant accounting policies**(a) Change in accounting policy****Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figure in accordance with the requirements applicable in the current year. For further details, refer note.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgment, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the out comes requiring a material adjustment to the carrying amounts of assets, of liabilities, in future periods.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

(d) Income taxes

Tax expenses comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing difference between taxable income and accounting income originating during the current year and reversal of timing difference for the earlier years. Deferred tax is measure using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**Note I (Contd.)**

In the situations where the company is entitled to a tax holiday under the Income tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing difference which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing difference originates. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss and 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 write down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(e) Earnings per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(f) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note I (Contd.)

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net any reimbursement.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

IV. NOTES ON ACCOUNTS

1. Earnings per share:

Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:-

	31st March, 2012 ₹	<i>31st March, 2011 ₹</i>
Loss for the period (₹)	(11,271)	<i>(8,269)</i>
Weighted average number of equity Shares outstanding during the period.....	50,007	<i>50,007</i>
Earnings per share (Basic/Diluted) (₹)	(0.23)	<i>(0.17)</i>
Nominal value per share (₹)	10.00	<i>10.00</i>
 2. Payments to Auditors:		
(a) As Audit fees.....	5,000	<i>5,000</i>
(b) As Service Tax on fees.....	515	<i>515</i>
Total.....	5,515	<i>5,515</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note I (Contd.)

3. The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly.

4. Segment information:

The Company is engaged in the business of real estate. These in the context of Accounting Standard 17 on segment reporting are considered to constitute a single reportable segment.

5. Related Party Disclosure:

A. Name of the related party	Relationship
Standard Industries Limited	Holding Company

B. Details of transactions with related parties:

<u>Nature of transactions</u>	₹
Advance received during the period (net)	1,000 (1,000)
Advances payable as at 31.03.2012	15,360 (14,360)

Note: Figures shown in bracket pertain to previous year.

6. No provision for income-tax has been made in the accounts for the year as it is estimated that there would be no taxable income under the provision of The Income Tax Act, 1961.

7. Previous year figures

Till the year ended 31st March, 2011. The Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to confirm to this year's classification.

For S. U. KAPASI & CO.,
Chartered Accountants

PRADEEP R. MAFATLAL *Chairman*

(S. U. KAPASI)
Proprietor

S. B. SHAH
M. K. SHAH } *Directors*

Mumbai, Dated: 23rd April, 2012.

FORM OF PROXY

MAFATLAL ENTERPRISES LIMITED

(Code No. & Name of the Shareholders/Jointholders & address as given on the envelope in BLOCK LETTERS to be furnished below.)

I/We

..... of.....

being a member/members of **MAFATLAL ENTERPRISES LIMITED**

hereby appoint..... of.....

or failing him..... of.....

as my/our proxy to vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Friday, the 10th August, 2012 at 2.30 P.M. and at any adjournment thereof.

As witness my/our hand(s) this day of 2012.

Signed by the said

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix a
30 paise
Revenue
Stamp