

MAFATLAL SERVICES LIMITED

54TH

ANNUAL REPORT

2015-2016



A.H. DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS REPORT

To,
**THE MEMBERS OF
MAFATLAL SERVICE LIMITED**

1. Report on the financial statements

We have audited the accompanying standalone financial statements of Mafatlal Services Limited ("the Company") which comprise the Balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ('the Act') with respect to the preparation of these standalone 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 principles generally accepted in India including the Accounting Standards Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimation that are reasonable and prudent; and design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the Act. 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 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 financial control relevant to the company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors as well as evaluating the overall presentation of the financial statement

Parshwa Deep, 2nd Floor,
140, Shamaldas Gandhi Marg,
Mumbai - 400 002.
India

Tel : 022-22081484
Mobile : 9320422777
Email : ahd1922@gmail.com



A.H. DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2016 and its loss and cash flows for the year ended on that date.

5. Report on other Legal and Regulatory Requirements

- 1) As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) 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.
 - c) 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.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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CHARTERED ACCOUNTANTS

- I. The Company has no pending litigation which requires disclosure in its financial statements.
- II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses:
- III. The Company does not have any amount which requires transfer to the Investor Education and Protection Fund.

For A.H. DESAI & ASSOCIATES
(Reg. No. 102282W)
CHARTERED ACCOUNTANTS


(Y.A. Desai)
Membership No. 16487
Dated: April 20, 2016

Parshwa Deep, 2nd Floor,
140, Shamaldas Gandhi Marg,
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A.H. DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS

MAFATLAL SERVICES LIMITED


ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

Having regard to the nature of the Company's business/activities/ result during the year, clauses (i) (ii) (iii) (iv) (v) (vi) (viii) (ix) (xi) (xii) (xiv) (xv) (xvi) of paragraph 3 of the order are not applicable to the company.

- (i) In our opinion and according to the information and explanations given to us provisions of the Employees State Insurance Act, 1948, Value Added tax, Sales tax, Service tax, Customs duty, Excise duty, and Cess are not applicable during the year. In respect of other statutory dues including Provident fund, Income tax and other material statutory dues applicable to it, the Company has been regular in depositing these with appropriate authorities
- (ii) 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 by its Officers/Employees has been noticed or reported during the year.
- (iii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

For A.H. DESAI & ASSOCIATES
(Reg. No. 102282W)
CHARTERED ACCOUNTANTS


(Y.A. Desai)
Membership No. 16487
Dated: April 20, 2016

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Mafatal Services Limited

BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
		RS.	RS.	RS.	RS.
EQUITY AND LIABILITIES :					
SHAREHOLDER'S FUNDS					
(a) Share Capital	1	310,00,000		310,00,000	
(b) Reserves & Surplus	2	(270,86,593)	39,13,407	(270,86,593)	39,13,407
NON CURRENT LIABILITIES					
(a) Long-term Borrowings		-		-	
(b) Deferred tax liabilities (net)		-		-	
(c) Other long-term liabilities	3	4,78,882		6,29,218	
(d) Long-term provisions	4	3,68,830	8,47,712	7,79,400	14,08,618
CURRENT LIABILITIES					
(a) Short-term borrowings		-		-	
(b) Trade payables		-		-	
(c) Other Current Liabilities	5	61,572		71,540	
(d) Short-term provisions		-	61,572	-	71,540
Total			48,22,691		53,93,565
ASSETS :					
NON-CURRENT ASSETS					
(a) Fixed Assets		-		-	
(b) Non-Current Investments		-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	6	-		3,37,690	
(e) Other non-current assets		-		-	3,37,690
CURRENT ASSETS					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables	7	37,81,092		38,56,390	
(d) Cash and cash equivalents	8	10,20,714		11,99,485	
(e) Short-term loans and advances	9	20,884		-	
(f) Other current assets		-	48,22,691	-	50,55,875
Total			48,22,691		53,93,565
Significant Accounting Policies	1				
The accompanying notes are an integral part of Financial Statements					

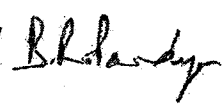
As per our report of even date attached
For A.H.Desai & Associates
Chartered Accountants
Firm Registration Number:102282W


Yogesh A. Desai
Proprietor
Membership No.16487

Place: Mumbai
Date:-20th April 2016

Chairman 

Directors 

Company Secretary 

Place: Mumbai
Date:-20th April 2016


Mafatlal Services Limited

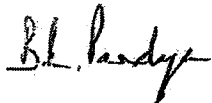
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016


PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
		RS.	RS.	RS.	RS.
INCOME :					
(a) Revenue form Operations		-		-	
(b) Other Income	10	90,76,196		23,55,418	
Total			90,76,196		23,55,418
EXPENDITURE :					
(a) Other Expenses	11	72,17,373		7,02,782	
(b) Employee benefit expense	12	18,43,823		16,42,636	
(c) Audit Fees	13	15,000		10,000	
			90,76,196		23,55,418
PROFIT/(LOSS) BEFORE TAX			-		-
TAX EXPENSES					
Current Tax			-		-
Deferred Tax			-		-
PROFIT/(LOSS) FOR THE YEAR			-		-
Basic and diluted earnings per share of Rs. 100/- each			-		-
Significant Accounting Policies	1				
The accompanying notes are an integral part of Financial Statements					

As per our report of even date attached
 For A.H.Desai & Associates
 Chartered Accountants
 Firm Registration Number:102282W

Chairman 

Directors 

Company Secretary 


 A.H. Desai
 Proprietor
 Membership No.16487

Place: Mumbai
 Date:-20th April 2016

Place: Mumbai
 Date:-20th April 2016

Mafatlal Services Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

	AS AT 31st MARCH 2016 RS.	AS AT 31st MARCH 2015 RS.
1. SHARE CAPITAL		
Authorised Share :		
350000 Equity Shares of Rs. 100/- each	350,00,000	350,00,000
	<u>350,00,000</u>	<u>350,00,000</u>
Issued :		
310000 Equity Shares of Rs. 100/- each	310,00,000	310,00,000
	<u>310,00,000</u>	<u>310,00,000</u>
Subscribed and fully paid up		
310000 Equity Shares of Rs. 100/- each	310,00,000	310,00,000
	<u>310,00,000</u>	<u>310,00,000</u>
Total	<u>310,00,000</u>	<u>310,00,000</u>

1.1- The company has only one class of equity shares having a par value of Rs. 100/- per share. Each equity shareholder is entitled to one vote per share.

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 share holders.

1.2- The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March , 2016		As at 31st March , 2015	
	No. of shares	% held	No. of shares	% held
MAFATLAL INDUSTRIES LTD.	2,72,800	88%	2,72,800	88%
PIL CHEMICALS PRIVATE LIMITED	22,320	7.20%	22,320	7.20%

1.3- The number of shares outstanding at the beginning of year and at the end of year are same.

2. RESERVES AND SURPLUS :

Surplus/Deficit in the Statement of Profit & Loss		
Balance as per last Balance Sheet	(270,86,593)	(270,86,593)
Add:- Profit/(Loss) for the Year	<u>(270,86,593)</u>	<u>(270,86,593)</u>
TOTAL	<u>(270,86,593)</u>	<u>(270,86,593)</u>

Mafatal Services Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	AS AT 31st MARCH 2016		AS AT 31st MARCH 2015	
	RS.	RS.	RS.	RS.
3. OTHER LONG TERM LIABILITIES:				
Loans and advances				
Unsecured		4,78,882		6,29,218
		<u>4,78,882</u>		<u>6,29,218</u>
4. LONG TERM PROVISIONS				
Provision for employee benefits				
Leave Encashment (unfunded)		3,68,830		7,79,400
		<u>3,68,830</u>		<u>7,79,400</u>
5. OTHERS CURRENT LIABILITIES :				
Other Payables		61,572		71,540
		<u>61,572</u>		<u>71,540</u>

Mafatal Services Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	AS AT 31st MARCH 2016		AS AT 31st MARCH 2015	
	RS.	RS.	RS.	RS.
6. LONG-TERM LOANS AND ADVANCES				
Advance income tax	-	-	187690	-
Other loans and advances	-	-	-	-
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,50,000	-
Doubtful	-	-	-	-
			<u> </u>	3,37,690
Less: Provision for other doubtful loans and advances	-	-	-	-
Total	<u> </u>	<u> </u>	<u> </u>	<u> </u>
				3,37,690
7. TRADE RECEIVABLES				
Unsecured, considered good	-	-	-	-
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-	-	-
Unsecured, considered good	-	4,61,367	-	5,36,665
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	3319725	-	3319725
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				38,56,390
8. CASH AND BANK BALANCE				
Cash and Cash Equivalent	-	-	-	-
Cash in hand	-	13,168	-	9,118
Balance with Scheduled Banks in :	-	-	-	-
Current account	3,07,546	-	90,367	-
Deposit account	7,00,000	10,07,546	11,00,000	11,90,367
Original maturity of less than six months	-	-	-	-
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				11,99,485
9. SHORT-TERM LOANS AND ADVANCES				
Advance income tax	-	20884	-	-
Other loans and advances	-	-	-	-
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				20,884
10. OTHER INCOME				
Recovery of Expenses incurred	-	89,82,624	-	22,55,318
Interest income:-	-	-	-	-
Interest from bank on deposits	90,139	-	-	1,00,100
Interest on income tax refund	3,433	93,572	-	-
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				23,55,418
11. OTHER EXPENSES :				
Rates & Taxes	-	2,500	-	2,500
Postages & Telephone	-	29,565	-	28,615
Stationary & Printing	-	16,276	-	24,861
conveyence	-	76,913	-	1,16,788
Legal and Professional fees	-	1,83,600	-	3,44,649
Book & Periodicals	-	43,021	-	42,554
General Expenses	-	33,027	-	61,076
Bank Commission	-	422	-	800
Computer & Software	-	44,389	-	67,499
Miscellaneous expenses	-	66,45,610	-	13,440
Sundry Balance w/off (Net)	-	1,42,050	-	-
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				7,02,782
12. EMPLOYEE BENEFIT EXPENSES				
Salary & Bonus	-	13,93,976	-	12,60,132
Contribution to Provident Fund & Sperannuation Fund	-	2,66,820	-	2,54,346
Contribution to Gratuity Fund	-	50,000	-	-
Staff Welfare Expenses	-	1,14,311	-	1,14,818
Medical Expenses	-	18,716	-	13,340
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>
				16,42,636
13. AUDITORS REMUNARATION :				
Audit Fees (Excluding Service Tax)	-	15,000	-	10,000

Mafatlal Services Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	AS AT 31st MARCH 2016		AS AT 31ST MARCH 2015	
	RS.	RS.	RS.	RS.
14. Earning per share				
Profit/(Loss) for the year		0.00		0.00
Weighted average number of Equity Shares outstanding		0.00		0.00
Basic earning per share		0.00		0.00
Diluted earning per share		0.00		0.00
Nominal value of share (Rs.)		100.00		100.00

15. Related party disclosure :

a) Relationship :

Particulars	Relationship
Mafatlal Industries Ltd	Holding company

b) Transactions with related parties are furnished below :


Nature of Transactions (Reimbursement)	Associates	Key Managerial Personnel	Holding company	Total
(i) Reimbursement of expenditure				
Mafatlal Industries Ltd	-	-		-
Rendering of services			7508498.79	
amount due From			1,79,968.00	-

Note:


Figures in Italic represents Previous year's amount

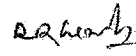
16. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

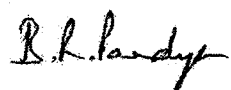
As per our report of even date attached
For A.H.Desai & Associates
Chartered Accountants
Firm Registration Number:102282W


Yash A. Desai
Proprietor
Membership No.16487

Place: Mumbai
Date:-20th April 2016

Chairman 

Directors 

Company Secretary 

Place: Mumbai
Date:-20th April 2016

NOTE-1**ACCOUNTING POLICIES****A: SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION**

The financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rule, 2014 and relevant provisions of the Act. Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in revised schedule III to The Companies Act, 2013 ("the ACT").

2. USE OF ESTIMATES

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions to be made that affect reported amount of assets and liabilities including contingent liabilities as of the date of the Financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. REVENUE RECOGNITION



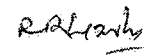
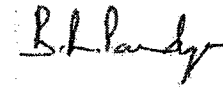
Revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

4. TAXES ON INCOME

The current income tax charges is determined in accordance with the relevant tax regulations applicable to the company. The company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

5 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 on the actual basis at the year end.

Mafatal Services Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016		
(AMT IN Rs.)		
PARTICULARS	FOR THE YEAR ENDED 31/03/2016	FOR THE YEAR ENDED 31/03/2015
A. Cash Flow form Operating activities		
Net Profit/(Loss) after exceptional items and before tax as per the Statement of Profit and Loss	-	-
Adjustments For-		
Interest Income	(90,139)	(1,00,100)
Operating Profit Before Working Capital Changes	(90,139)	(1,00,100)
Trade receivables	(75,297)	(31,789)
Long Term Loans & Advances	(3,37,690)	(23,068)
Trade and other payables	5,70,874	45,704
Cash generated from Operations	67,748	(1,09,253)
Net Income Tax (Paid) / Refunds	-	-
Net Cash generated from Operating activities	67,748	(1,09,253)
B. Cash Flow form Investing activities		
Interest Income	90,139	1,00,100
Net Cash generated from/(used in) Investing activities	90,139	1,00,100
C. Cash Flow form Financing activities		
Net Cash generated from/(used in) Financing activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,57,887)	(9,153)
Cash and Cash Equivalents at the beginning of the year	11,99,485	12,08,638
Cash and Cash Equivalents at the end of the year	10,41,598	11,99,485
The accompanying notes are an integral part of Financial Statements		
As per our report of even date attached		
For A.H.Desai & Associates		
Chartered Accountants		
Firm Registration Number:102282W		
	Chairman 	
Yogesh A. Desai	Directors 	
Proprietor	Company Secretary 	
Membership No.16487		
Place: Mumbai	Place: Mumbai	
Date:-20th April 2016	Date:-20th April 2016	