

MULLER & PHIPPS (INDIA) LTD

Regd. Office : 16 Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai -25.

13

STATEMENT OF AUDITED (STANDALONE & CONSOLIDATED) FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

Rs. In Lakhs

PART - I		STANDALONE					CONSOLIDATED	
SR. NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED		YEAR ENDED	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED
1	Income from operations							
	(a) Net Sales / Income From Operation (Net of Excise duty)	99.62	99.97	63.30	368.61	429.14	368.61	429.14
	(b) Other Operating Income	-	-	-	-	-	-	-
	Total income from operations (net) (a+b)	99.62	99.97	63.30	368.61	429.14	368.61	429.14
2	Expenses							
	a. Consumption of Raw Materials	-	-	-	-	-	-	-
	b. Purchase of stock-in-trade	47.61	49.74	42.64	175.46	224.70	175.46	224.70
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.29	0.12	(2.23)	6.36	(0.53)	6.36	(0.53)
	d. Employee benefits expense	20.07	22.16	26.59	87.31	119.94	87.31	119.94
	e. Depreciation and amortisation expense	0.72	0.56	0.94	2.53	3.28	2.53	3.28
	f. Other Expenses	30.57	27.61	43.39	106.72	147.57	107.73	148.09
	g. Total Expenses (a to f)	100.26	100.19	111.33	378.38	494.96	379.39	495.48
3	Profit/(Loss) from Operations before Other Income, finance costs & exceptional items (1)-(2)	(0.64)	(0.22)	(43.03)	(9.77)	(65.82)	(10.78)	(66.34)
4	Other Income	10.57	0.38	0.02	17.90	6.04	17.90	6.04
5	Profit/(Loss) from ordinary activities before finance costs & exceptional items (3)+(4)	9.93	0.16	(43.01)	8.13	(59.78)	7.12	(60.30)
6	Finance costs	7.31	8.28	7.58	30.91	54.77	30.59	54.45
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6)	2.62	(8.12)	(50.59)	(22.78)	(114.56)	(23.47)	(114.76)
8	Exceptional items	-	-	-	-	7.20	-	7.20
9	Profit/(Loss) from ordinary activities before Tax (7 + 8)	2.62	(8.12)	(50.59)	(22.78)	(107.36)	(23.47)	(107.56)
10	Tax Expenses	-	-	-	-	-	-	-
11	Net Profit/(Loss) from Ordinary Activities after Tax (9)-(10)	2.62	(8.12)	(50.59)	(22.78)	(107.36)	(23.47)	(107.56)
12	Extraordinary Items (net of Tax Exps.)	-	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11)-(12)	2.62	(8.12)	(50.59)	(22.78)	(107.36)	(23.47)	(107.56)
14	Paid-up equity share capital (face value Rs. 10/- each fully paid up)	62.50	62.50	62.50	62.50	62.50	62.50	62.50
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	-	-
16	Earning per share in Rs. (not annualised)	0.42	(1.30)	(8.09)	(3.64)	(17.18)	(3.76)	(17.21)
Part-II		QUARTER ENDED			YEAR ENDED			
A Particulars		31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013		
1 Public Shareholding								
Number of Shares		302,320.00	302,320.00	302,320.00	302,320.00	302,320.00		
Percentage of Shareholding		48.37	48.37	48.37	48.37	48.37		
2 Promoters and Promoter group shareholding								
a) Pledged / Encumbered								
Number of Shares		-	-	-	-	-		
Percentage of Shares(as a % of the total shareholding of promoter and promoter group)		-	-	-	-	-		
Percentage of Shares (as a % of the total share capital of the company)		-	-	-	-	-		
b) Non - encumbered								
Number of Shares		322,680.00	322,680.00	322,680.00	322,680.00	322,680.00		
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)		100.00	100.00	100.00	100.00	100.00		
Percentage of Shares (as a % of the total share capital of the company)		51.63	51.63	51.63	51.63	51.63		

Particulars	Quarter ended 31/03/2014
B INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	-

Notes :-

- The above result were reviewed, recommended and approved by the Board of Directors of the Company at their meeting held on 17th May 2014.
- The consolidated financial results (CFR) have been prepared in accordance with Accounting standard 21&23, relate to the Company, its subsidiaries and associates.
- The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- The figures for the previous periods are re grouped/re-arranged wherever necessary.

For Muller and Phipps (India) Limited

Utsav K. Dhupelia
Director

MULLER & PHIPPS (INDIA) LTD.

Rs. In Lakhs

N/M

Statement of Assets and Liabilities	STANDALONE		CONSOLIDATED	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Particulars	Audited		Audited	
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Capital	62.50	62.50	62.5	62.5
(b) Reserve and Surplus	(596.07)	(573.29)	(595.95)	(572.47)
Total Shareholder's funds	(533.57)	(510.79)	(533.45)	(509.97)
2 Non-current liabilities				
(a) Long-term borrowings	0.67	1.92	0.67	1.92
(b) Other long-term liabilities	298.04	298.69	298.04	298.69
(c) Long-term provisions	15.68	29.07	15.68	29.07
Total Non-Current Liabilities	314.39	329.68	314.39	329.68
3 Current Liabilities				
(a) Short-term borrowings	189.00	174.00	185	170.00
(b) Trade payables	283.65	301.94	288.08	305.71
(c) Other current liabilities	167.57	153.44	166.53	152.43
(d) Short-term provisions	21.02	8.78	21.02	8.78
Total Current Liabilities	661.24	638.16	660.63	636.92
TOTAL : EQUITY AND LIABILITIES	442.06	457.05	441.57	456.63
B ASSETS				
1 Non-current assets				
(a) Fixed assets	9.43	11.83	9.45	11.85
(b) Non-current investments	1.00	1.00	-	-
(c) Long-term loans and advances	101.09	101.48	101.09	101.48
(d) Other Non Current Assets	289.92	289.77	289.92	289.77
Total Non-Current Assets	401.44	404.08	400.46	403.10
2 Current assets				
(a) Inventories	2.07	8.43	2.07	8.44
(b) Trade receivables	32.21	38.79	32.21	38.79
(c) Cash and cash equivalents	4.77	3.36	5.08	3.74
(d) Short-term loans and advances	1.57	2.39	1.75	2.56
(e) Other current assets	-	-	-	-
Total Current Assets, Loans and Advances	40.62	52.97	41.11	53.53
TOTAL: ASSETS	442.06	457.05	441.57	456.63

m/m

**STANDALONE SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED
FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2014**

Rs. In Lakhs

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	
	Mar.31	Dec.31	Mar.31	31st	
	2014	2013	2013	2014	2013
	(Audited)	(Unaudited)	(Audited)	Audited	Audited
I Segment Revenue					
1 Cosmetics and Toiletries	12	11	14	34	82
2 Medicated Preparation	88	89	55	335	332
3 Others	-	-	-	-	16
Total	100	100	68	369	429
Net Revenue from Operations	100	100	68	369	429
II Segment Results					
1 Cosmetics and Toiletries	(1)	-	(4)	(4)	(15)
2 Medicated Preparation	14	-	14	56	54
	13	-	10	53	39
3 Others	-	-	(9)	-	(37)
	13	-	1	53	2
Add / Less					
(i) Interest	(7)	(8)	(8)	(31)	(55)
(ii) Unallocable Expenditure net of unallocable income	(4)	(1)	(43)	(44)	(62)
Profit / (Loss) before Tax	2	(9)	(50)	(23)	(115)
III Capital Employed (Segment Assets - Segment Liabilities)					
1 Cosmetics and Toiletries	(3)	(3)	(2)	(12)	(8)
2 Medicated Preparation	(3)	(8)	(7)	(11)	(27)
3 Others	(56)	(152)	(127)	(226)	(506)
3 Unallocated	(71)	9	8	(285)	31
Total	(133)	(153)	(128)	(534)	(511)

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Muller & Phipps (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

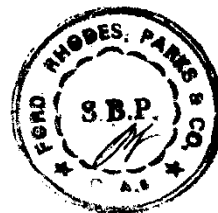
Auditor's Responsibility

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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 audit opinion.

(Contd....2)



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, 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.

Emphasis of Matter

The financial statements have been prepared on a going concern basis, although the net worth of the Company has been completely eroded, for reasons stated in the Note 38 of the Financial Statements.

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

(Contd...3)



- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

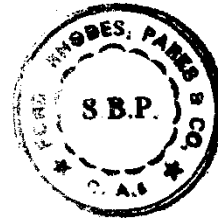
For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W



Shrikant Prabhu
Partner

Membership No. 35296

Place : Mumbai
Date : 17th May, 2014



ANNEXURE TO THE AUDITORS' REPORT
To the Members of Muller & Phipps (India) Limited
Year ended 31st March, 2014

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 Companies Act, 1956 (the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we further report that: -

1. a) *The Company has not maintained proper records to show full particulars, including quantitative details and situation of fixed assets.*
 - b) *No physical verification of fixed assets has been conducted by the management during the year or in the recent past. In our opinion, the frequency of verification needs to be improved to be commensurate with the size of the Company and the nature of its business.*
 - c) The Company has not disposed off a substantial part of fixed assets during the year so as to affect the going concern status of the Company.
2. a) The inventory has been physically verified by the management at reasonable intervals during the year.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion, the Company has maintained proper records of inventory.
 - d) The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of account.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company had taken unsecured loans from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹19,000,000 and the year end balance of such loans taken was ₹18,500,000.

(Contd....2)



- c) In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not, prima facie, prejudicial to the interest of the Company.
- d) The Company is repaying the principal amounts of such loans as stipulated *but has been irregular in the payment of interest.*
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither been informed nor have we observed any continuing failure to correct major weaknesses in internal controls.
5. a) On the basis of our examination of the books of account and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, and aggregating during the year to more than ₹ 5 lakhs in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and prices at which similar transactions have been made with other parties.
6. In our opinion and based on the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A, 58AA or any other relevant provisions of the Act. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. *The Company had no internal audit system in operation during the year. In our opinion, the Company needs to have an internal audit system commensurate with the size of the Company and the nature of its business.*
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.

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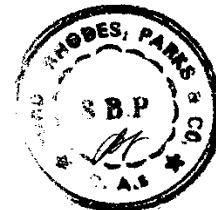


9. a) According to the information and explanations given to us and on the basis of the examination of the books of account carried out by us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues, wherever applicable with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us by management and the records of the Company examined by us, there were no disputed dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess which have not been deposited as on 31st March, 2014 except as stated below:

<u>Nature of dues pending</u>	<u>Amount ₹</u>	<u>Forum where dispute is</u>
Income Tax (A.Y 2001-2002)	1,057,725	Commissioner of Income-tax (Appeals)
Income Tax Penalty (A.Y 2001- 2002)	21,000,000	Commissioner of Income-tax (Appeals)
Sales Tax (F.Y. 2004-2005)	285,000	Sales Tax Authorities - Lucknow
(F.Y. 2002-2003)	229,000	Sales Tax Authorities - Lucknow

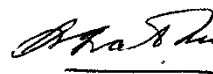
10. The accumulated losses of the Company as at 31st March, 2014 are more than fifty percent of its net worth. It has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution or bank. The Company has not issued any debentures.
12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the Order is not applicable as the Company is not a chit fund company or nidhi / mutual benefit fund / society.

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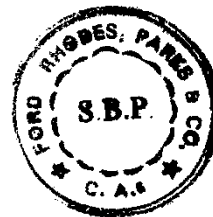
14. The Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information given to us and as per the records examined by us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
16. The Company has not availed / utilized any term loan.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us and on the basis of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of fraud on or by the Company during the year.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W



Shrikant Prabhu
Partner
Membership No.35296

Mumbai 17th May, 2014



INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Muller & Phipps (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Muller & Phipps (India) Limited ("the Company") and its subsidiaries (collectively referred to as "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 significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

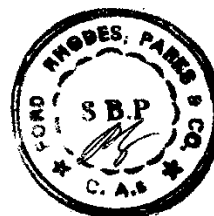
Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

Auditor's 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 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 Group'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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 audit opinion.



Other Matters

We did not audit the financial statements of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹555,058 as at 31st March, 2014 and total revenues of ₹32,180 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated 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:

- (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 loss 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.

Matter of Emphasis

The consolidated financial statements have been prepared on a going concern basis, although the net worth of the Group has been completely eroded, for reasons stated in Note 36 of the Notes to Financial Statements.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W



Shrikant Prabhu
Partner
Membership No. 35296

Mumbai : 17th May, 2014

